Wednesday
21st December, 1949

THE

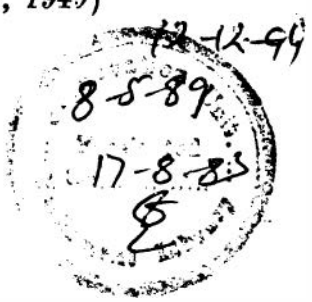
CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

OFFICIAL REPORT

VOLUME IV, 1949

(28th November to 24th December, 1949)



SIXTH SESSION

OF THE

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

1949

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

PART I—QUESTIONS AND ANSWERS

Wednesday, 21st December, 1949.

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS

A RAILWAY BETWEEN SANTA CRUZ AIR PORT AND BOMBAY CITY

*783. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of **Railways** be pleased to state whether there is a proposal to link up the international airport of Santa Cruz with Bombay City by rail?

(b) If so, what stage has this proposal reached?

(c) What will be the length of this railway?

(d) What will be its cost and when is it likely to be completed?

(e) What will be the terminus station in the city with which this railway will be linked?

The Honourable Shri N. Gopalaswami Ayyangar: (a) In the Aerodrome Development Scheme prepared in 1946, there was a proposal for the provision of a branch line from Santa Cruz station to the aerodrome terminal building, but this was omitted in the revised scheme prepared in 1948.

(b) The proposal has been dropped.

(c) and (d). The length and cost of the railway were not worked out. As the proposal has since been dropped, the question of its completion does not arise.

(e) The original plan provided for connecting the air-port with Santa Cruz railway station on the B. B. and C. I. Railway, but as already pointed out the proposal has since been dropped.

Shri R. K. Sidhva: May I know whether this scheme has been kept pending *sine die* or postponed for want of funds?

The Honourable Shri N. Gopalaswami Ayyangar: It has been dropped, I think, for the time being.

Shri H. J. Khandekar: How far is Bandra Slaughter House from the aerodrome?

The Honourable Shri N. Gopalaswami Ayyangar: I am afraid I have no information on this point.

Shri H. J. Khandekar: In view of the fact that Bandra is only.....

Mr. Speaker: That does not arise from this.

BARLEY FROM ARGENTINA

*784. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of **Food** be pleased to state whether an agreement has been entered into by the Government of India with an Argentina firm for export of Barley to India?

(b) If so, what is the quantity and the rate at which the contract has been given?

(c) Was the transaction made on Government-to-Government basis or through private agency?

(d) What is the quality of the barley and is it fit for consumption?

(e) When is the delivery of this barley promised?

The Honourable Shri Jairamdas Doulatram: (a) No.

(b) to (e). Do not arise.

TRAWLERS FOR FISHING IN DEEP SEA WATERS

*785. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of **Agriculture** be pleased to state whether more trawlers for catching deep sea fish round the west coast of India have been purchased recently and if so, how many?

(b) What was their cost and from what countries were they purchased?

(c) In what part of India will these trawlers be used?

(d) Will these be hired out to private concerns and if so, on what terms?

The Honourable Shri Jairamdas Doulatram: (a) Yes. Two.

(b) The total cost including transport charge upto Bombay was Rs. 9,77,813 (£73,336). They were purchased from Holland.

(c) On the West Coast of India at Bombay.

(d) In view of the nature of their work it will not be possible to give these vessels on hire to private concerns.

Shri R. K. Sidhva: May I know whether these trawlers are fitted with equipment so as to operate during the monsoon?

The Honourable Shri Jairamdas Doulatram: I cannot say.

Shri R. K. Sidhva: Did they work last month?

The Honourable Shri Jairamdas Doulatram: They did in September. I do not know whether they worked last month.

Shri R. K. Sidhva: May I know whether some foreign experts were invited for this purpose?

The Honourable Shri Jairamdas Doulatram: We have not had any foreign experts, but we have had a skipper for the vessel from U.K.

Shri S. V. Krishnamoorthy Rao: What is the actual catch from these trawlers?

The Honourable Shri Jairamdas Doulatram: The total value was Rs. 15,000 during five or six weeks.

Shri H. V. Kamath: Has Government any plans to catch deep sea fish on the West Coast of India and the Bay of Bengal?

The Honourable Shri Jairamdas Doulatram: So far as the West Coast is concerned, these cutters are intended for that area.

Shri H. V. Kamath: I mean the East Coast.

The Honourable Shri Jairamdas Doulatram: Not, yet. We are experimenting now with the West Coast.

Shri R. K. Sidhva: Is it a fact that an Economy Committee was appointed to go into this matter of expansion of this sea fish industry?

The Honourable Shri Jairamdas Doulatram: I am not aware.

Shri V. C. Kesava Rao: May I know whether there has been any increase in the catch after the trawlers were introduced? If so, what is the increase?

The Honourable Shri Jairamdas Doulatram: In the first week's voyage, it was one ton. In the second, three tons, in the third, four tons, then 6½ tons and then 9½ tons. The yield is progressively increasing as we gain experience of where the fish are in abundance.

Shri H. V. Kamath: May I know whether Government has recently launched a 'catch more-eat more fish campaign'?

Mr. Speaker: Order, order.

Shri Mahavir Tyagi: How are these fish disposed of? Are they sold in the market?

The Honourable Shri Jairamdas Doulatram: At present, they are sold in the Bombay market. As yet, we have not got enough quantity to send to other parts of the country.

Shri R. K. Sidhva: May I know whether proposals for the expansion of the activities of the station are being examined by the Economy Committee set up for the purpose? One of the measures under consideration is the expansion of the area of operation which is at present bounded by Ratnagiri in the South and the Rann of Cutch in the North. May I know whether a press note was issued on the subject?

The Honourable Shri Jairamdas Doulatram: It may have been. I do not see every Communication that is issued.

New Telephone Installations for Bombay

*786. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of **Communications** be pleased to state whether it is a fact that a new scheme has been prepared to instal a larger number of telephone lines in the city of Bombay?

(b) If so, what is the total number of lines that will be operating under this scheme?

(c) What will this scheme cost and when is the work likely to be started and completed?

(d) What is the demand from Bombay for new telephone installations?

(e) How much of the demand has been met and when is the rest likely to be met?

Shri Khurshed Lal (Deputy Minister of Communications): (a) Yes.

(b) 18,200.

(c) and (e). The cost of the scheme is approximately Rs. 3,17 lakhs. The work started in June, 1949. 82 new telephone connections have been given since then. 1,000 new lines are expected to be ready by March, 1950. Another 5,400 lines are likely to be completed by the end of 1950. Construction of the remaining lines will be taken up as and when funds become available in the following years.

(d) There are about 20,000 applicants on the waiting list for new connections.

Shri R. K. Sidhva: May I know, Sir, whether this includes the expansion of the Poona telephones also?

Shri Khurshed Lal: It refers to Bombay only.

Shri Ajit Prasad Jain: May I know whether there is a scheme by which only those who deposit Rs. 1,500 or Rs. 2,000 will be entitled to get a telephone connection without payment of rent for the next twenty years?

Shri Khurshed Lal: A scheme like that is under consideration. It is not yet formulated.

Shri Ajit Prasad Jain: May I ask from the Honourable Minister whether he has taken into consideration the fact that this will be creating a monopoly for the rich and that poor people will have no chance of getting a telephone connection?

Mr. Speaker: Order, order.

Shri Deshbandhu Gupta: May I know whether *interim* orders have been issued by Government to all big stations like Bombay, Delhi, Amritsar, Calcutta, etc., that no fresh telephone connections are to be given pending a decision on this scheme?

The Honourable Mr. Rafi Ahmad Kidwai: Yes.

Shri Deshbandhu Gupta: How long will Government take to arrive at a decision?

The Honourable Mr. Rafi Ahmad Kidwai: In about a month.

Shri R. K. Sidhva: May I have some idea of the amount that the subscriber will be asked to pay?

Mr. Speaker: It is not yet finalised.

Shri Mohan Lal Gautam: Will Government take this House into its confidence before implementing this scheme?

The Honourable Mr. Rafi Ahmad Kidwai: If this House happens to meet when the final decision is taken, it will be placed before this House.

Shri Ajit Prasad Jain: May I know what are the reasons for launching upon this new scheme? How did it crop up and why is the normal method being departed from?

The Honourable Mr. Rafi Ahmad Kidwai: The scheme is only under consideration.

Shri Deshbandhu Gupta: Will the Telephone Advisory Committee be asked to express its opinion before this scheme comes into effect?

The Honourable Mr. Rafi Ahmad Kidwai: That Committee is only for advising on allotments and not for advising on policy.

Railway Police Force

*787. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of **Railways** be pleased to state whether the Railway Board has any proposal in regard to the formation of separate police force to be controlled by Railway authorities?

(b) If so, what are the details of the proposal?

(c) Under whose jurisdiction does the present railway police force work?

(d) Does the Railway Board exercise any supervision or control over the railway police force and enforce discipline in it?

The Honourable Shri N. Gopalaswami Ayyangar: (a) No.

(b) Does not arise.

(c) The Railway Police force is functioning under the jurisdiction of the respective Provincial Governments.

(d) No.

Shri R. K. Sidhva: May I know whether the Railway Board considered this subject at any stage regarding maintenance of a Police Force by themselves, in view of complaints having been received to the effect that the Provincial Governments do not pay attention?

The Honourable Shri N. Gopalaswami Ayyangar: I don't think we seriously considered any such question.

Tourist Traffic

*788. **Dr. Mono Mohon Das:** (a) Will the Honourable Minister of **Transport** be pleased to state whether there is any scheme for attracting increasing number of foreign tourists to this country?

(b) If so, what is that scheme?

The Honourable Shri K. Santhanam: (a) and (b). The Ministry of Transport are taking steps to encourage foreign tourist traffic to this country. The formalities relating to the issue of *visas* and customs and registration restrictions have been modified with a view to eliminate all avoidable inconvenience to foreign tourists. Special attention is being devoted to the important problems of food and drink and residential accommodation both at the ports of entry and at the centres likely to attract tourists. Railway facilities are also being improved. The preparation of guide books and other up-to-date tourist literature is on hand. A Tourist Traffic Section has been set up at the headquarters and a regional office is proposed to be opened in Bombay shortly. The assistance of the Economic Commission for Asia and the Far East is also being obtained to secure expert advice on various important problems relating to tourist traffic *e.g.*, organisation, hotel accommodation etc.

Dr. Mono Mohon Das: May I know whether any steps have actually been taken or it is only a scheme?

The Honourable Shri K. Santhanam: Some of them have actually been taken, others are in contemplation.

Dr. Mono Mohon Das: Will the Minister kindly give us an idea of the income for the current year from tourist traffic?

The Honourable Shri K. Santhanam: We have no information on that.

Dr. V. Subramaniam: Have Government any idea of introducing 'go-as-you-please' tickets for encouraging tourist traffic?

The Honourable Shri K. Santhanam: They are not meant for foreign tourists.

Dr. P. S. Deshmukh: May I know the extent to which the Honourable Minister has succeeded in attracting foreign travellers to India recently?

The Honourable Shri K. Santhanam: To some extent foreign tourists were attracted by our propaganda for Kashmir this year but other steps will be implemented during next year.

Shri M. Tirumala Rao: Is there any machinery in Government to ascertain the disabilities suffered by the foreign tourists and are there any suggestions for improving this?

The Honourable Shri K. Santhanam: We have got a Tourist Traffic Advisory Committee in which foreign Traveller Associations working here, like Cook and Sons, are represented and they bring to light the difficulties and we are taking steps to remove the difficulties relating to accommodation etc.

Shri H. V. Kamath: Does Government propose to invite any foreign expert to advise them on the development of tourist traffic?

The Honourable Shri K. Santhanam: At the recent meeting of the ECAFE a resolution was adopted by which experts will be coming to study this question in this country as well as other countries of East Asia.

Shri H. V. Kamath: How many are coming?

Mr. Speaker: Order, order. Next Question.

VANASPATI

†*789. **Seth Govind Das:** Will the Honourable Minister of **Agriculture** be pleased to state:

(a) if the results of scientific research on the use of vanaspati have been finalised; and

(b) whether any colouring material has been approved of?

The Honourable Shri Jairamdas Doulatram: (a) and (b). The attention of the Honourable Member is invited to answers given to Question No. 408 put on the 8th December, 1949, by Shri R. K. Sidhva.

SUPPLY OF FOOD-STUFF

†*790. **Seth Govind Das:** Will the Honourable Minister of **Food** be pleased to state if it is proposed to provide special facilities for procuring plantains, potatoes, and sweet potatoes at concession rates to those who take regularly these articles of food as a substantial part of their daily diet?

The Honourable Shri Jairamdas Doulatram: The reply is in the negative.

† Answer to this question laid on the Table, the questioner being absent.

DELAY IN DELIVERY OF MAIL

†*791. **Seth Govind Das:** Will the Honourable Minister of **Communications** be pleased to state:

(a) if Government are aware that there are complaints of delay in the delivery of letters and money orders; and

(b) what steps, if any, are being taken to expedite their delivery?

Shri Khurshed Lal (Deputy Minister of Communications): (a) and (b). There were numerous complaints of delay in the delivery of letters till a few months back, but lately as a result of steps taken by the Department there has been a marked improvement in this respect. As regards money orders Government are aware there are still complaints about delay and effective steps are being taken to improve this state of affairs. It will take too much time of the House to give details of these steps.

WATER TRANSPORT

†*792. **Seth Govind Das:** Will the Honourable Minister of **Transport** be pleased to state the steps taken for the development of water transport in India?

The Honourable Shri K. Santhanam: 'Inland Waterways and traffic thereon' is at present a Provincial subject, the role of the Centre being largely one of co-ordination of the problems affecting more than one Province or other forms of transport. These problems as affecting North-East India were reviewed by the Transport Advisory Council and it was agreed that full data should be collected before any further action was taken. It has since been decided that a survey of inland water transport possibilities should be made on an all India basis and the Ministry of Transport has called for factual data from the Provincial and State Governments concerned with a view to assessing the possibilities.

In the meantime, the question of developing water borne goods traffic on the Ganga system of rivers was considered urgent and the Government of India convened a conference of representatives of the interests concerned on the 31st August, 1949. A Special Committee of the Conference recommended that the question of Inland Water Transport on the Ganga from Buxar to Allahabad should be taken up first and a Sub-committee was appointed to conduct a reconnaissance survey and submit its report to the Government of India. The Sub-committee met recently and further action can be taken only on receipt of its report.

Consequent on the changes made in the Seventh Schedule to the New Constitution with regard to the item "inland waterways and traffic thereon", the Government of India is bound to play an important part in the development of inland water transport.

At the instance of the Indian Delegation, the Economic Commission for Asia and the Far East have agreed to arrange for an expert examination of the development of the traffic capacity of specific inland waterways. It is understood that the services of a reputable expert is being obtained for the purpose.

† Answer to this question laid on the Table, the questioner being absent.

REFRESHMENT ROOMS AT RAILWAY STATIONS

†*793. **Seth Govind Das:** (a) Will the Honourable Minister of **Railways** be pleased to state whether Government are aware that railway passengers are put to great difficulty when at some of the railway stations only non-vegetarian refreshment rooms are maintained?

(b) Do Government propose to consider the desirability of having only vegetarian refreshment rooms at stations where there is provision for only one refreshment room?

The Honourable Shri K. Santhanam: (a) Government are not aware of any general complaint of this nature having been received by Railways.

(b) The category of Refreshment Rooms to be provided at particular station is dependent on the requirements of the majority of the travelling public of the area concerned and Government propose to continue to follow this policy in determining the type of Refreshment Rooms to be provided at stations.

TELEPHONIC LINK OF BALANGIR (ORISSA)

*794. **Shri Yudhisthir Mishra:** Will the Honourable Minister of Communications be pleased to state whether any scheme was sanctioned last year to link Balangir, the District Head-quarters of Balangir—Patna and now under Sambalpur head office in the Orissa Postal Circle, with All India by telephone and if so, what steps have been taken so far and if none, whether Government propose to take any steps in the near future?

Shri Khurshed Lal (Deputy Minister of Communications): The reply to the first part of the question is in the negative.

The question of linking Balangir to the General Trunk System of India was considered last year bnt was given up as the project was considered unremunerative.

A public call office will be opened at Balangir provided the Government of Orissa furnishes the necessary guarantee.

Shri Yudhisthir Mishra: May I know what is the necessary guarantee the Honourable Minister wants?

Shri Khurshed Lal: Annual income of Rs. 8,000.

AGRICULTURAL TRAINING INSTITUTIONS

*795. **Shri Satis Chandra Samanta:** (a) Will the Honourable Minister of **Agriculture** be pleased to state how many new agricultural training institutions have been started in the years 1948-49 and 1949-50, by the Government of India?

(b) Are there any private agricultural training institutions and farms in India?

(c) If so, is any of them recoguised by Government?

† Answer to this question laid on the Table, the questioner being absent.

The Honourable Shri Jairamdas Doulatram: (a) None.

(b) and (c). There are eleven agricultural training institutions in the provinces and States. Nine are recognised by Government. A statement containing details is laid on the Table of the House (See *Appendix XX, annexure No. 1.*)

Shri Satis Chandra Samanta: May I know whether any short course training arrangements have been made for those officers in service who have not sufficient experience in agriculture?

The Honourable Shri Jairamdas Doulatram: We have got post-graduate training arrangements at Delhi in the Pusa Institute.

Shri Satis Chandra Samanta: Have Government any arrangements for imparting training to officers in the Department who have had no training in agriculture?

The Honourable Shri Jairamdas Doulatram: Officers who were not at all trained in agriculture need not be in the Department.

Shri Upendranath Barman: Is it a fact that the Government of India is proposing to close the Central College of Agriculture?

The Honourable Shri Jairamdas Doulatram: No.

Shri Upendranath Barman: Is it a fact that new admissions have been stopped?

The Honourable Shri Jairamdas Doulatram: They may be stopped from the next year but the College will continue for three years at least unless the situation changes.

Shri Deshbandhu Gupta: May I know whether it is a fact that the decision referred to by the Honourable Minister regarding the Central College has been taken on account of the expenditure which is incurred on the residence of the students and the figures supplied were not correct?

The Honourable Shri Jairamdas Doulatram: That was only one of the considerations but it is difficult to expand the college in the present set-up on account of financial stringency.

Shri P. T. Chacko: May I know whether the Central College is being housed in a rented building and, if so, what is the rent?

The Honourable Shri Jairamdas Doulatram: It is in a rented building and the rent is Rs. 3,000 a month.

Dr. P. S. Deshmukh: May I know if the Honourable Minister has any scheme for assisting and giving grants-in-aid to private agricultural training institutions?

The Honourable Shri Jairamdas Doulatram: I think a number of institutions are receiving grants from the Provincial Governments and naturally it will be the function of the Provincial Governments to give financial aid to local agricultural institutions.

Shri A. Karunakara Menon: Have any existing institutions already been stopped or hampered by the economy drive of the Government in the year 1949-50?

The Honourable Shri Jairamdas Doulatram: Not, so far as the Central Government is concerned. So far as the Provincial Government is concerned, I will have to secure information.

Shri Deshbandhu Gupta: Is it a fact that there are certain facilities available to the Central College of Agriculture in Delhi which are not available in other provinces, and if the institution is closed, there will be great hardship?

Mr. Speaker: Order, order. Next question.

WHEAT IMPORTS

***796. Pandit Mukut Bihari Lal Bhargava:** Will the Honourable Minister of Food be pleased to state:

(a) the total quantity of wheat India is bound to purchase under the International Wheat Agreement and the countries from which the same is to be purchased;

(b) what quantity of wheat has already been imported under the said agreement into India and from which countries and at what cost;

(c) whether it is a fact that the Government of Australia is proposing about 44 per cent. increase in the export price of wheat settled under the International Wheat Agreement to compensate for increased Dollar expenditure following pound devaluation; and

(d) what measures the Government of India propose to take to counteract the effect of such an increase in the price of wheat to be imported from Australia?

The Honourable Shri Jairamdas Doulatram: (a) 1,042,000 metric tons per annum provided the price is the minimum laid down in the Agreement. This quantity can be purchased from any one or more of the exporting countries which are members of the Agreement, *viz.*, Australia, Canada, U.S.A., France and Uruguay.

(b) No purchases of wheat have so far been recorded under the Agreement which came into force with effect from 1st August, 1949. Since this date wheat has been imported into India from Australia only. The quantity of Australian wheat from shipments since 1st August, 1949, which should be counted as supplied under the Agreement, is under negotiation with the Australian Wheat Board.

(c) Yes.

(d) Negotiations are being carried to effect a reduction in price.

Pandit Mukat Bihari Lal Bhargava: Is there any agency appointed by the Government of India to inspect the grains that are imported into India from outside?

The Honourable Shri Jairamdas Doulatram: Yes.

Shri Ajit Prasad Jain: Has the Honourable Minister seen a news item that Australia has decided to reduce the price of wheat flour? How is it going to benefit us?

The Honourable Shri Jairamdas Doulatram: We have seen that in the Press. As the matter is under negotiation, I would not be able to give details.

Shri Deshbandhu Gupta: May I know whether Government is in a position to tell the House the estimated saving on the imports of rice on account of the drop in the import of rice?

The Honourable Shri Jairamdas Doulatram: I am afraid I have not the information handy.

Shri R. K. Sidhva: What is the period of agreement under clause (a) to which the Honourable Minister is referring?

The Honourable Shri Jairamdas Doulatram: It is four years.

Shri R. K. Sidhva: From what year?

The Honourable Shri Jairamdas Doulatram: From August 1949.

Shri Mahavir Tyagi: Shall I take it that wheat will be imported when we shall not need importing it according to the present programme of Grow-More-Food?

The Honourable Shri Jairamdas Doulatram: We shall be forced to import only at the minimum rate prevailing at that time and even if we have to import, it will be used as a reserve to reduce the prices in the country or to meet any extraordinary emergencies.

Shri Ajit Prasad Jain: What is the quantity of reserve that is proposed to be built?

The Honourable Shri Jairamdas Doulatram: The Foodgrains Policy Committee recommended about five to ten lakh tons.

Shri S. V. Krishnamoorthy Rao: Is Australia charging the same price for different countries or different prices?

The Honourable Shri Jairamdas Doulatram: So far as the agreement is concerned same prices govern all the countries but so far as purchases outside the agreement are concerned, the prices may be different for different countries.

QUARTERS FOR DISPLACED PERSONS ON PUSA ROAD

†*797. **Lala Raj Kanwar:** (a) Will the Honourable Minister of **Works, Mines and Power** be pleased to state whether it is a fact that the Chief Engineer, Central P.W.D. did not approve of the site where the quarters for displaced persons on Pusa Road, New Delhi have been constructed and regarding which there has been severe criticism in the Press recently on technical grounds, and that he was asked to carry out the instructions of the Ministry for the said construction despite this difference of opinion?

(b) If so, was better technical opinion obtained before discarding the Chief Engineer's technical opinion?

(c) If not, were there any special reasons for discarding that opinion?

The Honourable Shri N. V. Gadgil: (a) No.

(b) and (c). Do not arise.

CROP INSURANCE

*798. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of **Agriculture** be pleased to state whether the Special Officer appointed to report on the feasibility of introducing Crop Insurance in India, has submitted his report?

(b) What are the crops and what are the areas recommended by him for the preliminary introduction of the scheme?

The Honourable Shri Jairamdas Doulatram: (a) Yes.

† Answer to this question laid on the Table, the questioner being absent.

(b) In the Report the Officer has suggested that a pilot scheme of crop insurance may be introduced covering Rice, Wheat, Cotton and Sugarcane in areas as indicated below:—

Rice—in Madras, U.P. and C.P. and Berar.

Wheat—in U.P. and C.P. and Berar.

Cotton—in Madras, Bombay and C.P. and Berar.

Sugarcane—in U.P.

Shri V. C. Kesava Rao: May I know whether these recommendations will be implemented and, if so, when?

The Honourable Shri Jairamdas Doulatram: It will depend upon the reports that we receive from the Provincial Governments. As soon as they are received we shall come to a decision.

Shri M. Tirumala Rao: Will the Report be made available to the Members of the House?

The Honourable Shri Jairamdas Doulatram: Yes. I thought it has been circulated; if not, I shall have it circulated.

Shri Mohan Lal Gautam: Does the Government of India approve of this scheme?

Mr. Speaker: Order, order.

Shri Satis Chandra Samanta: Will other Provinces be included in this scheme?

The Honourable Shri Jairamdas Doulatram: These are the Provinces with which we want to make a beginning.

CIVIL AVIATION

***799. Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of **Communications** be pleased to state whether it is a fact that most of the Air lines are operating on loss?

(b) What steps do Government propose to take to assist the Air-lines?

Shri Khurshed Lal (Deputy Minister of Communications): (a) No, Sir. The latest available balance sheets show that four out of nine companies earned profits from their operations in 1948; the results of operations in 1949 have not been published.

(b) The attention of the Honourable Member is invited to the reply given to Shri Ajit Prasad Jain's Starred Question No. 136 on the 30th November, 1949.

RAILWAY FREIGHT

***800. Dr. Mono Mohon Das:** (a) Will the Honourable Minister of **Railways** be pleased to state whether it is a fact that the Railway freight from Bombay to Delhi for bananas has been increased from Rs. 500/- to Rs. 7,300/- per wagon within the last few months and if so, why?

(b) Does the Railway Department know that the Ministry of Food is trying to increase the production of bananas as a subsidiary food?

The Honourable Shri K. Santhanam: (a) Presumably the Honourable Member is referring to banana booking stations in the Bombay area and not to Bombay proper. The railway freight for carriage of bananas from Virar,

Nalla-Sopara and Bassein Road in the Bombay area to Delhi was Rs. 525, Rs. 527 and Rs. 529 respectively per wagon of 15 tons carrying capacity prior to 1st June, 1949. The corresponding present freight rates are Rs. 1,039, Rs. 1,041 and Rs. 1,044 respectively. The incidence of freight in the sale prices of bananas is estimated at something between seven and nine per cent. only.

(b) Yes.

Dr. Mono Mohon Das: May I know whether this increase in the railway freight rate has been effected in respect of every other article or for bananas only?

The Honourable Shri K. Santhanam: The position is that we have brought about uniformity in the freight rates. It was very high in certain areas and very low in certain others. It was half parcel rate in certain areas and less than quarter parcel rate in certain others. Now all fruits are charged at quarter parcel rates by Railway Administrations throughout the country.

Dr. Mono Mohon Das: Is it a fact that after the increase of the railway freight, the export of bananas from Khandesh which is a predominantly banana-growing area, has been reduced appreciably?

The Honourable Shri K. Santhanam: I am not aware of that information.

Dr. Mono Mohon Das: May I know whether this increase of railway freight will hamper the Grow More Subsidiary Food campaign of the Government?

The Honourable Shri K. Santhanam: I do not think so, because the freight is only the price of one banana per dozen, and the freight rates are the same as for bananas from Madras and other parts of the country. The uniformity in freight charges increases the chances of people all over the country eating fruits.

Shri V. C. Kesava Rao: May I know whether there has been a general increase in the freight, mostly for perishable articles?

The Honourable Shri K. Santhanam: As I have said, the freight rates have been decreased wherever they were very high and increased wherever they were very low.

Dr. Mono Mohon Das: May I know whether the Food Department of the Government of India has approached the Railway Department for removing this increase in freight rate?

The Honourable Shri K. Santhanam: We do not consult the Food Department for every readjustment of freight rates.

Shri Deshbandhu Gupta: May I know whether this increase in the freight rate has been effected in order to give protection to the banana growers in Madras?

Mr. Speaker: Order, order. The question need not be answered.

Shri R. K. Sidhva: May I know the freight rate for a wagon of 15 tons of perishable articles, including fruit?

The Honourable Shri K. Santhanam: For fruits it is quarter parcel rate; for vegetables it is half parcel rate.

Shri R. K. Sidhva: What is the rate in rupees, annas and pies per wagon of 15 tons?

The Honourable Shri K. Santhanam: The freight depends on from which place to which place it is to be carried.

Shri R. K. Sidhva: Say from Bombay to Nallasuparna.

Mr. Speaker: The Honourable Member might enquire from him privately.

Dr. P. S. Deshmukh: May I know how the booking of these wagons, that is, the traffic—has been affected ever since the freight rate was enhanced?

The Honourable Shri K. Santhanam: I would require notice of that question. But I do not think it has been seriously affected.

Railway Locomotives

*801. **Shri R. L. Malviya:** Will the Honourable Minister of **Railways** be pleased to state:

(a) whether the new locomotives being purchased from foreign countries were designed to burn low grade coals;

(b) whether it is a fact that some 300 or more of such locomotives have already arrived and been put on the lines; and

(c) whether these locomotives are actually burning such coals?

The Honourable Shri N. Gopalaswami Ayyangar: (a) The new locomotives being purchased from foreign countries have been designed to burn coals of grades inferior to those required for locomotives of earlier design.

(b) 178 engines of these types had been received up to 31st October 1949 and others are expected shortly.

(c) Yes, the new locomotives are burning coal of comparatively low grades as explained in reply to part (a).

Shri R. L. Malviya: I would like to know how much inferior grade coal these engines are consuming. Are they consuming metallurgical coal also?

The Honourable Shri N. Gopalaswami Ayyangar: No, no.

Railway Sidings for Collieries

*802. **Shri R. L. Malviya:** (a) Will the Honourable Minister of **Railways** be pleased to state how many applications for assisted sidings have been received by the Railways from collieries in the Jharia Coal field since the year 1944 and how many of them have been complied with and how many rejected?

(b) What steps do Government propose to take to implement the recommendations contained in Chapter XXII of the report of the Indian Coalfields Committee, 1945, regarding increased transport facilities and speeding up arrangements for the grant of sidings to collieries?

The Honourable Shri N. Gopalaswami Ayyangar: (a) 53 applications have been received; of these 24 have been sanctioned and 16 rejected. Ten applications are still under consideration and the remaining three have been withdrawn by the firms.

(b) Plans for accelerating the movement of coal traffic by the construction of new lines, increasing capacity of existing lines, and remodelling of main yards have been drawn up and in order to achieve co-ordinated development these are being implemented, as necessary, in consultation with the Ministry

of Industry and Supply. The Central Board of Transport also review the position from time to time.

As regards speeding up arrangements for the provision of sidings to collieries, Railways have instructions to deal with applications expeditiously and within the available resources in materials and finance, to push on with the construction of such of the sidings as are justified.

Shri R. L. Malviya: What is the mileage which is required to link these collieries in Jharia?

The Honourable Shri N. Gopalaswami Ayyangar: I am afraid I should like to have notice of that question.

Shri R. L. Malviya: May I bring to the notice of the Honourable Minister.....

Mr. Speaker: Order, order. That is not a question.

New Air-Line and Aerodrome

***803. Dr. Bakhshi Tek Chand:** Will the Honourable Minister of **Communications** be pleased to state:

(a) whether any steps have been taken for establishing a commercial air-line service between Kulu, East Punjab and Delhi, and

(b) whether a regular aerodrome is proposed to be established at Pathankot?

Shri Khurshed Lal (Deputy Minister of Communications): (a) No, Sir. East Punjab is connected with Delhi and Kashmir by the Delhi-Amritsar-Jammu-Kashmir air service. There is no aerodrome in Kulu which can be utilised for a commercial air service.

(b) No, Sir.

Kerosene Oil

***804. Dr. Bakhshi Tek Chand:** Will the Honourable Minister of **Works, Mines and Power** be pleased to state:

(a) whether a survey has been made for prospecting for kerosene oil round about the Chakki River near Pathankot in East Punjab; and

(b) if so, with what results?

The Honourable Shri N. V. Gadgil: (a) Not yet. For the present survey is being carried out near Jawala Mukhi which is about 45 miles from Pathankot.

(b) Does not arise.

Nangal and Bhakra Projects

***805. Dr. Bakhshi Tek Chand:** Will the Honourable Minister of **Works, Mines and Power** be pleased to state:

(a) the revised estimate of expenditure on the Nangal and Bhakra projects respectively;

(b) the grants made by the Government of India on these projects up to 31st October 1949;

(c) the amount spent on these projects up to the 31st October, 1949; and

(d) the progress made in the two schemes up to date?

The Honourable Shri N. V. Gadgil: (a) Both are treated as a combined project and the revised estimate for the combined project amounts to Rs. 131 crores.

(b) No grants are made for this Project by the Government of India. Loans amounting to Rs. eight crores have been advanced to the Government of the East Punjab up to the 31st October 1949.

(c) Rs. 6·43 crores.

(d) A note detailing the progress of works on the Bhakra Nangal Project is placed on the Table of the House (See *Appendix XX, Annexure No.* 2).

Ch. Ranbir Singh: May I know the amount demanded by the East Punjab Government for the construction of the Bhakra and Nangal Projects?

The Honourable Shri N. V. Gadgil: The total amount would be Rs. 131 crores.

Ch. Ranbir Singh: What is the amount they have asked for the current year and the next year?

The Honourable Shri N. V. Gadgil: For the current year they have asked Rs. 6 crores and for the next year Rs. 12 crores.

Prof. N. G. Ranga: In how many years does Government expect to be able to complete this project?

The Honourable Shri N. V. Gadgil: Well, if there is no financial difficulty, then by the year 1954-55 this project will be completed.

Pandit Thakur Das Bhargava: May I know what amount of loan has been sanctioned for this year and the next?

The Honourable Shri N. V. Gadgil: Up to 31st October, we have actually given Rs. 8 crores.

Pandit Thakur Das Bhargava: But how much have you sanctioned?

The Honourable Shri N. V. Gadgil: I require notice.

Shri B. P. Jhunjhunwala: May I know, as a result of the economy drive, what is the criterion for reducing the grants for different projects? Also, do Government consider the continuance of the original grant for such projects as will yield immediate results?

The Honourable Shri N. V. Gadgil: That is the most important consideration.

Ch. Ranbir Singh: Do Government propose to advance the entire loan to the East Punjab Government, and if not, why not?

Shri Santanu Kumar Das: May I know whether Government propose to postpone this project?

The Honourable Shri N. V. Gadgil: Not in the least.

RAILWAY STAFF REPATRIATED FROM WEST PUNJAB

*306. **Kaka Bhagwant Roy:** (a) Will the Honourable Minister of **Railways** be pleased to state whether it is a fact that a large number of staff on the East Punjab Railway have come from the West Punjab?

(b) How many quarters have Government built for the staff of that Railway since the partition and how many they intend to build in the next year?

The Honourable Shri N. Gopalaswami Ayyangar: (a) Yes, it is a fact that a large number of the staff of the E.P. Railway had their homes in West Punjab.

(b) 536 permanent and 295 temporary quarters have been built since the partition. 422 permanent quarters are under construction and are expected to be completed before the 31st March 1950, and 274 permanent quarters are programmed for construction during the next financial year.

Kaka Bhagwant Roy: May I know what is the total number of E.P.R. staff that has been recruited from the Western Punjab after partition?

The Honourable Shri N. Gopalaswami Ayyangar: I have not got the total number here, but there is a figure of 1,450 members of the headquarters staff and another 1,800 other staff. Some of them have been distributed on other Railways as well.

Kaka Bhagwant Roy: How many applications have been received for allotment of houses?

The Honourable Shri N. Gopalaswami Ayyangar: We are trying to provide accommodation for all the staff to the extent that it is possible to do so. Until the quarters are constructed, we have provided tent accommodation for them.

Ch. Ranbir Singh: Do Government propose to provide accommodation for these Government servants from evacuee houses?

The Honourable Shri N. Gopalaswami Ayyangar: I think the Railways are undertaking the provision of accommodation. I don't think we have, as Railways, taken up any evacuee houses.

SURPLUS STOCKS OF WHEAT AND GRAM IN RAJASTHAN

†*807. **Shri Raj Bahadur:** (a) Will the Honourable Minister of **Food** be pleased to state whether there are any surplus stocks of food grains, particularly of wheat and gram in the Bikaner division and the Alwar and Bharatpur Districts of the Rajasthan Union?

(b) If so, what is the total quantity and value of such stocks?

(c) Are there any Government reserve stocks of wheat and gram also in the Bikaner division and the districts of Bharatpur and Alwar?

(d) If so, what is the quantity of such Government reserve stocks?

(e) What are the controlled rates of wheat and gram in (i) Bikaner; (ii) Marwar; (iii) Udaipur; and (iv) Kotah divisions of Rajasthan?

The Honourable Shri Jairamdas Doulatram: (a) According to the information available with the Rajasthan Government, there are no surplus stocks of wheat in Bikaner, Alwar and Bharatpur districts of the United States of Rajasthan. Gram is, however, surplus in these areas.

(b) The surplus stocks of gram and their values in Bikaner, Alwar and Bharatpur are as follows: (i) In Bikaner—30,000 tons, valued at approximately Rs. 7,200,000; (ii) In Alwar—4,000 tons, valued at approximately Rs. 9,00,000; (iii) In Bharatpur—4,000 tons, valued at approximately Rs. 9,00,000.

† Answer to this question laid on the Table, the questioner being absent.

(c) and (d). Bikaner—*Nil.* Alwar—6,000 tons of gram. Bharatpur—2,500 tons of wheat.

(e) A statement is laid on the Table of the House.

STATEMENT

	Rate per maund.
Gram	
	Rs.
Bikaner. f. o. r.	10/3/3 producing area.
Marwar up to the consumer point including transport charges in the interior.	13/5/4
Udaipur.	12/13/-
Wheat	
Bikaner.	15/12/-
Marwar.	16/-
Udaipur.	16/-
Kotah.	14/8/9

RAILWAY UNIONS ON THE O.T.R.

*808. **Prof. Shibban Lal Saksena:** Will the Honourable Minister of **Railways** be pleased to state the names of the Unions recognised by the O. T. Railway and the number of members of each Union as shown by them in their annual audited returns to the Registrar of Trade Unions on 31st March 1944, 1945, 1946, 1947, 1948 and 1949 respectively?

The Honourable Shri K. Santhanam: A statement is placed on the Table of the House. (See *Appendix XX, annexure No.* 3).

LANDING GROUND FOR AIRCRAFT AT NEEMUCH

*809. **Shri Sita Ram S. Jajoo:** (a) Will the Honourable Minister of **Communications** be pleased to state whether a landing ground for aircraft exists at Neemuch Cantonment?

(b) Do Government propose to link it with some regular air service? If so, when; and if not, why not?

Shri Khurshed Lal (Deputy Minister of Communications): (a) Yes, Sir, an aerodrome partially constructed during the War.

(b) No, Sir, Neemuch will not provide sufficient air traffic to justify expenditure on improving the aerodrome and providing the facilities necessary for a regular air service.

Shri Sita Ram S. Jajoo: What is the present cost of its upkeep?

Shri Khurshed Lal: That was an aerodrome constructed during the war—I don't know what its cost was.

An Honourable Member: The question was about the present cost of its upkeep.

NIGHT AIR MAIL SERVICE FOR MADHYABHARAT AND RAJASTHAN

*810. **Shri Balwant Sinha Mehta:** (a) Will the Honourable Minister of Communications be pleased to state if it is proposed to introduce the night Air Mail service to the Madhyabharat and Rajasthan Regions?

(b) If so, do Government contemplate to take any measures for the same during the current financial year?

Shri Khurshed Lal (Deputy Minister of Communications): (a) and (b). No, Sir, not at present.

TELEGRAPH OFFICES IN GWALIOR

*811. **Shri Balwant Sinha Mehta:** (a) Will the Honourable Minister of Communications be pleased to state whether it is a fact that there are no telegraph offices in the cities of the former State of Gwalior?

OILS AND OIL SEEDS

*813. **Pandit Mukut Bihari Lal Bhargava:** Will the Honourable Minister of Agriculture be pleased to state:

(a) the total quantity of oil seeds produced in India in the years 1938-39, 1946-47, 1948-49 and in the current year;

(b) the total quantity of oil extracted from oil seeds in India during these years;

(c) the average maximum and minimum prices of different varieties of oil seeds and oils extracted therefrom prevailing in these years and in each month of the current year in India, and the reasons for the rise in price during the current year;

(d) the total quantity of oil seeds and oils imported into and exported from India to hard and soft currency areas during these years and the current year;

(e) the number of oil mills and the total crushing capacity thereof, and the total quantity of oil extracted by indigenous *Ghanis;*

(f) whether it is a fact that many of the crushing plants in the mills are lying idle owing to the non-availability of sufficient quantity of oil seeds; and

(g) what steps the Government of India have taken or contemplate to take in the near future to check the rise in prices of oil seeds and to make oil seeds available for crushing in the mills?

The Honourable Shri Jairamdas Doulatram: (a) and (b). The information is as follows:

Year	Total quantity of oilseeds produced	Total quantity of oil extracted
	tons	tons
1938-39	48,23,000	7,12,000
1946-47	51,48,000	11,91,000
1948-49	47,02,000	10,86,000

Figures for the year 1949-50 are not yet available. Statements showing the production and extraction of different oilseeds are also laid on the Table. (See *Appendix XX, annexure No. 4, Statement I*).

(c) A statement showing the wholesale prices of different oilseeds in the Bombay Market is laid on the Table. (See *Appendix XX, annexure No. 4 4 State-*

(f) Precise information about the crushing plants is not available but it is roughly estimated that Mills are working upto 50 per cent of their capacity and village *Ghanis* up to 2/3rds of their capacity.

(g) The Provincial Governments have been requested to enforce strictly the provisions of the Essential Supplies (Temporary Powers) Act 1946 banning forward trading in oilseeds and oils. As regards the availability of seeds for crushing, the Indian Oilseeds Committee has implemented various schemes in collaboration with Provincial Governments for the multiplication and distribution of improved seeds, and for the control of pest, etc. Suggestions have also been made to the Provincial Governments as to the manner in which increased production of oilseeds can be obtained.

Pandit Mukut Bihari Lal Bhargava: Has Government taken any steps to stop this speculative activity in order to control the prices?

The Honourable Shri Jairamdas Doulatram: We have authorised the Provincial Governments to ban forward transactions.

Pandit Mukut Bihari Lal Bhargava: Do Government propose to consider bringing in any all-India measure to put down speculative transactions?

The Honourable Shri Jairamdas Doulatram: At present the powers are with the Provincial Governments to regulate speculative transactions.

Ch. Ranbir Singh: Do Government propose to encourage producers' co-operative societies for the crushing and exporting of oilseeds?

The Honourable Shri Jairamdas Doulatram: Certainly, we want to encourage every co-operative activity.

Shri P. T. Chacko: May I know whether the quantity mentioned in reply to (d) includes coconut oil imported?

The Honourable Shri Jairamdas Doulatram: No, coconut oil is excluded.

Ch. Ranbir Singh: May I know the steps so far taken by Government to organise producers' co-operative societies?

Mr. Speaker: Order, order. It is beyond the scope of the question.

Shri Kishorimohan Tripathi: May I know if Government propose to give any protection to *Ghanis* against competition from oil mills?

The Honourable Shri Jairamdas Doulatram: There is no definite proposal now before Government for that purpose.

ment of India themselves have been saying that they were having a Bill under contemplation for controlling this speculation?

Mr. Speaker: Order, order. I am afraid that is beyond the scope of the question.

Dr. P. S. Deshmukh: May I know what portion of the oilseeds go to the vegetable oil factories?

The Honourable Shri Jairamdas Doulatram: I think about 25 per cent.

FLYING CLUBS

*814. **Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of **Communications** be pleased to state (i) the number of Flying Clubs existing in various Provinces, States and Unions of States of the Indian Union, (ii) the total number of members of such clubs, (iii) the number of instructors employed in the clubs for imparting training, (iv) the number of trainees at such clubs, and (v) the amount of subsidy paid by Government to the various flying clubs?

(b) What is the amount of fee payable by a trainee to a flying club in India, and how does this fee compare with the fee payable by a trainee in Pakistan and the United Kingdom?

Shri Khurshed Lal (Deputy Minister of Communications): (a) I lay on the Table a statement giving the information required.

(b) The fees payable by trainees at Flying Clubs in India are between Rs. 20 to 25 per hour of flying, according to the type of aircraft. The corresponding charges in Pakistan and the United Kingdom are Rs. 15 and £5 per hour, respectively.

STATEMENT

(i) The number of Flying Clubs existing in the various Provinces, States, and Unions of States in the Indian Union	13
(ii) The total number of members of such Clubs	2474
(iii) The number of instructors employed in the Clubs for imparting training	35
(iv) The number of trainees at such Clubs	362
(v) The total amount of subsidy proposed to be paid to the Flying Clubs *during the year* 1949-50 ...	Rs.12,02,500

Pandit Mukut Bihari Lal Bhargava: Do Government think that the present high fee charged is conducive to the promotion of flying?

Mr. Speaker: Order, order. It is a matter of opinion.

Shri A. Karunakara Menon: Are any of these air crafts for trainees used for carrying mails?

Shri Khurshed Lal: No.

Shri Ajit Prasad Jain: Have Government examined the complaint that part of the subsidy given to the Flying Clubs is off-set by the free maintenance of Government-owned planes and free flying by some of the members of the Provincial and Central Governments?

Shri Khurshed Lal: There is no free flying done by members of the Central Government and so far as Provincial Governments are concerned, I do not know on what basis the subsidy is given.

Shri Ajit Prasad Jain: Part of my question has not been answered. What about free maintenance of planes owned by Government?

Shri Khurshed Lal: No planes of the Central Government are maintained free by any Flying Club.

Shri R. K. Sidhva: May I know the total amount of the subsidy paid to these Flying Clubs?

Shri Khurshed Lal: We pay Rs. 30,000 a year to each Club and then we pay them per hour of flying.

Dr. V. Subramaniam: In view of the frequent accidents that occur to the trainees in these Flying Clubs, may I know what are the precautions that have been taken by them?

Shri Khurshed Lal: Accidents in training are inherent, but all possible precautions are being taken to prevent accidents.

Shri H. V. Kamath: Is there any scheme to promote gliding in this country?

Shri Khurshed Lal: Yes. A subsidy has been given to the Flying Clubs and I understand they are beginning their operations on the 15th January.

Postal Life Insurance Policies

***815. Shri M. Satyanarayana:** (a) Will the Honourable Minister of Communications be pleased to state what are the total number of settlements in the Postal Life Insurance Policies during the last five years?

(b) What is the time taken generally between the maturity of the Policy and payment?

(c) How much time is taken for the final settlement and payment of the amount, after the required documents have been received from the policy-holder?

(d) Are Government aware that there are delays in settlement of the policies and if so, what steps are being taken to expedite payments?

Shri Khurshed Lal (Deputy Minister of Communications): (a) 17,909.

(b) and (c). Generally two to three months from the date of receipt of claim, assuming that all the relevant documents are submitted along with the claim.

(d). Delays occur in settlement of only those cases that are contested or of policies that have not been assigned. In other cases claims are settled without undue delay.

Shri R. K. Sidhva: May I know whether the claim of all the refugees who have come from Pakistan in respect of their Postal Life Insurance Policies has been admitted by Government or refused?

Shri Khurshed Lal: Under the Partition Agreement, some claims have to be

paid by the Pakistan Government in respect of people who have come here and their cases are under negotiation with the Pakistan Government.

Shri R. K. Sidhva: What is the period, within which the claims will be paid by the Government of India and others by the Pakistan Government?

Shri Khurshed Lal: 15th August 1947—people who were domiciled here or there.

Shri R. K. Sidhva: It is not clear. 15th August 1947 means what? Does it mean that Government will recognise the claims of those who have come after 15th August 1947?

Mr. Speaker: From the 15th of August 1947.

Shri Khurshed Lal: The claims of those who have come after that date will be recognised by the Government of Pakistan and till that date by us.

Prof. N. G. Ranga: What is the maximum amount up to which one can insure in the Postal Life Insurance and is it contemplated to increase that maximum limit?

The Honourable Mr. Rafi Ahmad Kidwai: There is no such proposal under consideration. As regards the maximum, the rules lay down the limit and that information can be obtained by referring to the rules.

Shri M. Tirumala Rao: Is there any proposal to extend the privilege of Postal Life Insurance to the general public also?

Shri Khurshed Lal: Not at the present moment.

Postal Life Insurance Policies (Bonus)

*816. **Shri M. Satyanarayana:** (a) Will the Honourable Minister of Communications be pleased to state whether the bonus on Postal Life Insurance Policies has been declared for the quinquennium—1942 and 1947?

(b) If so, when is the amount likely to be adjusted and if it has already been adjusted, on what date?

Shri Khurshed Lal (Deputy Minister of Communications): (a) No. A bonus is expected to be declared early next year.

(b) Does not arise.

Shri Kishorimohan Tripathi: What was the cause of the delay in declaring the bonus?

Shri Khurshed Lal: In declaring this bonus, we had also to consider the Government of Pakistan.

Delhi Transport Service

*817. **Prof. Shibban Lal Saksena:** Will the Honourable Minister of Transport be pleased to lay on the Table of the House the audited Balance Sheet of the D.T.S. for the period ending 31st March, 1949?

The Honourable Shri K. Santhanam: The audit of the accounts of the Delhi Transport Service for the period ending 31st March, 1949, has not yet been completed. A statement showing the profit and loss account for the period from 14th May 1948 to the 31st March, 1949, prepared departmentally

by the Delhi Transport Service is, however, laid on the Table of the House (See *Appendix XX, annexure No. 5*).

Dr. P. S. Deshmukh: Is there loss or profit? What is the situation?

Mr. Speaker: The Honourable Member can study the statement laid on the Table.

Dr. P. S. Deshmukh: It is not necessary. The Honourable Minister can oblige the House by looking up the statement himself.

The Honourable Shri K. Santhanam: Net profit of Rs. 10,24,791-10-1.

Shri R. K. Sidhva: Out of this profit, is it contemplated to reduce passenger fares?

The Honourable Shri K. Santhanam: Yes, Sir. Improvement of the service first and reduction of fares next.

Shri Arun Chandra Guha: When calculating this profit, have Government taken depreciation and interest charges into account?

The Honourable Shri K. Santhanam: Yes, Sir. An amount of Rs. 5,71,040-6-5 has been allowed for depreciation and interest charges.

Shri Arun Chandra Guha: How much for interest charges?

The Honourable Shri K. Santhanam: Rs. 31,008-6-5 for interest charges.

Shri H. V. Kamath: Will any portion of this profit be shared by staff and the employees?

No answer, Sir?

Mr. Speaker: I am afraid we are going into too many details. Next question.

TRANSPORT FOR FENCING WIRE

***818. Ch. Ranbir Singh:** (a) Will the Honourable Minister of **Railways** be pleased to state if it is a fact that the request of the Superintendent of Tarai and Bhalar area Government Estate Nainital, for the transport of fencing wire from Tatanagar to Bagpur Railway Station (on O.T.R.) has not been complied with during the last two years?

(b) Is it also a fact that the Supply and Movement Officer, Ministry of Agriculture, also requested the Chief Controller of Railway Priorities for the transport of the wire in the month of August, 1945?

(c) If the replies to parts (a) and (b) above be in the affirmative what steps do Government propose to take to expedite the despatch of the said wire to Bagpur?

The Honourable Shri N. Gopalaswami Ayyangar: (a) Presumably, reference is to Bazpur and not Bagpur as there is no such station. No indents for despatch of such consignments from Tatanagar to Bazpur appear to have been received by the B. N. Railway.

(b) Yes.

(c) On receipt of the request referred to in part (b), the Chief Controller of Railway Priorities had issued orders to Regional Controller of Railway Priorities to assist the movement in an effective priority, and then special arrangements were made by the Transportation Manager, B. N. Railway, to accept these consignments, when offered *via* Bareilly outside the transhipment quota.

RAILWAY GATE ON MURADABAD AND NAINITAL KACHA ROAD NEAR BAGPUR STATION

*819. **Ch. Ranbir Singh:** (a) Will the Honourable Minister of **Railways** be pleased to state whether Government have received a representation for the widening of the Railway gate on Muradabad and Nainital 'Kacha Road' near Bagpur station from the Superintendent Tarai and Bhalar area Government Estate Nainital?

(b) Is it a fact that tractors when attached with harrows cannot pass through that gate?

(c) Is it also a fact that the request has been turned down?

(d) If the replies to parts (a), (b) and (c) above be in the affirmative, do Government propose to re-consider the matter, and if not, why not?

The Honourable Shri N. Gopalaswami Ayyangar: (a) and (b). Yes.

(c) No. The request has been agreed to and the work is in hand.

(d) Does not arise.

CONTROLLER OF PRINTING (E.P. RAILWAY)

*820. **Giani Gurmukh Singh Musafir:** Will the Honourable Minister of **Railways** be pleased to state:

(a) whether it is a fact that the printing business of the Eastern Punjab Railway is not controlled by the Controller of Printing;

(b) whether the Controller of Stationery and Printing of the Eastern Punjab Railway is the final authority in respect of their printing business; and

(c) Is it a fact that the officer concerned is interested in some printing concerns?

The Honourable Shri N. Gopalaswami Ayyangar: (a) The printing business of the E. P. Railway is not controlled by the Controller of Printing, Government of India, New Delhi.

(b) There is no such designation as "Controller of Printing and Stationery" on the E. P. Railway. Presumably, the question relates to the Officer Incharge of Printing on the Railway who is designated as Assistant Controller of Stores (Printing and Stationery) and is under the administrative control of the Administrative Officer 'Stores'.

(c) No.

AIR SERVICE BETWEEN DELHI AND ASSAM

*821. **Shri G. S. Guha:** (a) Will the Honourable Minister of **Communications** be pleased to state whether any direct Air Service from Delhi to Assam has been started and if not, when it is expected to be started?

(b) Is there any proposal of extending the night air mail service to Assam?

(c) Is the new Gauhati Aerodrome likely to be completed in 1950 nnd made suitable for night flying?

(d) Is there any proposal of constructing an aerodrome at Shella in the Khasi and Jaintia Hills in Assam and if so, when is it likely to be completed?

Shri Khurshed Lal (Deputy Minister of Communications): (a) No, Sir. A company was authorised by the Air Transport Licensing Board to operate a direct

air service from Delhi to Assam, but it has not found it possible to do so. No definite date for the commencement of such a service can be given.

(b) No, Sir. The existing day service to Assam connects the Night Air Mail Service at Calcutta and is virtually an extension of the Night Air Mail Service.

(c) No, Sir.

(d) At the request of the Government of Assam, sites in the vicinity of Shella were recently inspected but no proposal to construct an air strip there has emerged.

Shri G. S. Guha: What is the reason for the delay in the construction of the Gauhati aerodrome?

Shri Khurshed Lal: Paucity of funds.

Sjt. Kuladhar Chaliha: An assurance was given last April that an air service would be operated from Delhi to Assam. May I know how far that assurance has been implemented?

The Honourable Mr. Rafi Ahmad Kidwai: Government has issued a licence to a company, but it has not been able to undertake the service.

Source of Kerosene and Petrol

***822. Shri G. S. Guha:** (a) With reference to part a (8) of his reply to Starred Question No. 412 of the 8th December 1949, will the Honourable Minister of **Works, Mines and Power** be pleased to state whether the Cachar oil field, *e.g.*, Masimpur, is also a source of petrol in Assam?

(b) What progress has been made in the boring for oil in the Tripura State?

The Honourable Shri N. V. Gadgil: (a) No oil is at present produced from Masimpur; the area is being prospected by the Burmah Oil Company. For the present, therefore, Digboi is the only source of petrol in India, Attock having gone to Pakistan.

(b) Progress by the Burmah Oil Company was held up so far pending discussions between the Company and Government on certain points. These have almost been finalised and the Petroleum Concession Rules are likely to be issued very shortly. It is hoped that as soon as these rules are issued the Burmah Oil Company will go forward with the prospecting for oil.

Shri Arun Chandra Guha: Has there been prospecting of oil in any other place near about the Assam-Burma frontier?

The Honourable Shri N. V. Gadgil: No, Sir.

Sjt. Kuladhar Chaliha: Is there any prospect of finding oil in Assam in any areas other than Digboi?

The Honourable Shri N. V. Gadgil: Survey parties are already in Assam for the current field season and if they are able to strike any oil, the information will be laid on the Table.

Shri M. Tirumala Rao: May I know whether the Burmah Oil Company pays any royalty on the oil it has prospected or about to prospect.

The Honourable Shri N. V. Gadgil: Royalty will be paid only when the oil is found.

AGRICULTURAL EDUCATION

*823. **Giani Gurmukh Singh Musafir:** Will the Honourable Minister of Agriculture be pleased to state:

(a) the number of the students in the various agricultural institutions in India;

(b) the percentage of such students in respect of the total number of students in India;

(c) the percentage of people depending upon and engaged in agriculture, in India; and

(d) whether Government propose to take up the matter of agricultural education on a mass scale?

The Honourable Shri Jairamdas Doulatram: (a) About 5,000.

(b) 0.02.

(c) About 68 per cent.

(d) The question has been examined by the University Commission whose recommendations are being considered by Government.

Dr. P. S. Deshmukh: What percentage of these students have utilised their knowledge for furthering agriculture and what percentage are job-hunters?

The Honourable Shri Jairamdas Doulatram: I am not in a position to give that information.

Ch. Ranbir Singh: What assistance do the Central Government propose to give to the Provincial Governments to start their own agricultural colleges?

The Honourable Shri Jairamdas Doulatram: It will depend upon the requests which the Provincial Governments make as to what help they want.

THE SURVEY OF INDIA

*824. **Shri Balwant Sinha Mehta:** (a) Will the Honourable Minister of Agriculture be pleased to state when the last Survey of India took place?

(b) Has that survey been implemented by publishing maps of all parts of the country?

(c) If not, by what time is the whole work to be completed?

(d) Is there any new project of Survey under operation?

(e) Do Government contemplate to publish maps of Free India in Hindi?

(f) If so, when are they expected to be published?

The Honourable Shri Jairamdas Doulatram: (a) and (c). Survey work has two stages:

(i) Observation and fixation of geodetic data which are essential for the framework in which topographical and other surveys can be correctly put on the earth surface.

(ii) Topographical surveys of the entire area and publication of maps and their up-to-date maintenance by periodical revision.

(i) has been practically completed.

(ii) is a continuous process. Maps must be revised in order to keep them up to date. Some areas surveyed on small scale have to be surveyed again on a larger scale as the country develops.

(b) Out of a total area of nearly twelve lakh square miles comprising the Indian Union, an area of about 1,81,000 square miles has to be still surveyed on modern scientific lines. Maps of practically the whole area already surveyed have been incorporated in modern style maps.

(d) 26 survey projects connected with irrigation dam sites are in hand in addition to survey of border areas between India and Pakistan.

(e) and (f). Experimental measures for publishing certain maps in Hindi have already been undertaken.

Shri M. Tirumala Rao: Are Government aware of a gentleman by name Swami Pranavananda who has prepared a map of the Himalayan region, including the Manasarowar area, and published that map with the approval of the Survey of India?

Mr. Speaker: I do not think I can allow that question. It is a suggestion for action and the Honourable Member may communicate with the Minister privately.

TRACTORS FOR RAJASTHAN

*825. **Shri Balwant Sinha Mehta:** (a) Will the Honourable Minister of Agriculture be pleased to state how many tractors have been allotted to Rajasthan by the Central Tractor Organisation?

(b) What are the terms and basis on which this allotment is made?

(c) Will they be available to the peasants for reclaiming their lands and if so, on what terms?

The Honourable Shri Jairamdas Doulatram: (a) and (b). The Central Tractor Organisation has been carrying on mechanical cultivation operations in Alwar and Bharatpur with the help of 125 light tractors since July 1948. The expenditure on the operations is being partly recovered from the cultivators and partly shared between the Ministry of Rehabilitation and the Government of Rajasthan. The tractors are available to any provinces and States which may want to purchase them.

(c) The tractors purchased in connection with mechanical cultivation operations in Alwar and Bharatpur are light cultivation tractors and are not suitable for reclamation operations.

Shri Deshbandhu Gupta: May I know, Sir, whether Government keeps an eye on the working of these tractors and whether they are satisfied that the average service given by the tractors is good enough?

The Honourable Shri Jairamdas Doulatram: So far as the Central Tractor Organisation is concerned, in my opinion, the results are very satisfactory and the International Bank experts also found them to be satisfactory. With regard to the work in the provincial sphere, we will endeavour to take more care as to how the tractors are working.

Shri Mahavir Tyagi: May I know the average acreage ploughed by a tractor?

The Honourable Shri Jairamdas Doulatram: It will depend upon the size of the tractor---its horse-power.

Shrimati Dakshayani Velayudhan: May I know the total number of tractors given to the States and States Unions?

The Honourable Shri Jairamdas Doulatram: I have already laid a detailed statement on the Table of the House the other day. I am prepared to give any further information that the Honourable Member desires.

Ch. Ranbir Singh: Will Government be prepared to loan these tractors to Producers co-operative societies?

The Honourable Shri Jairamdas Doulatram: That is a matter for the Provincial Governments to decide. It is open to the Provincial Governments to hire out the tractors and I think in some provinces they are doing so.

Shri B. P. Jhunjhunwala: What is the out-turn of these tractors, as compared with the out-turn promised by the manufacturers?

The Honourable Shri Jairamdas Doulatram: The new tractors are being used only now. The Central Tractor Organisation was till now using the old secondhand tractors which had worked for a number of years under the Army. We will be able to give the exact acreage of work turned out by the new tractors where they come into operation and this will be in the coming season.

Shri B. P. Jhunjhunwala: What has been the result up till now?

The Honourable Shri Jairamdas Doulatram: About two-thirds roughly.

Mr. Speaker: The Question Hour is over.

(b) WRITTEN ANSWERS

ALLOTMENT OF MONEY FROM CENTRAL ROAD FUND TO RAJASTHAN

*826. **Shri Balwant Sinha Mehta:** (a) Will the Honourable Minister of Transport be pleased to state how much money has up till now been allotted to Rajasthan from the Central Road Fund for the year 1948 and 1949 separately?

(b) How much petrol is annually allotted to Rajasthan and on what basis?

(c) How much more would it get now by the Government's new resolution on the subject?

The Honourable Shri K. Santhanam: (a) Allotments to States now constituting Rajasthan, from revenues credited to the Central Road Fund up to the year 1946-47, aggregated Rs. 21,01,000. Allotments for the years 1947-48 and 1948-49 have not yet been made. As the final figures relating to revenue creditable to the Road Fund for these years are not yet available, it is not possible at this stage to indicate what allotments would be made for these years.

(b) Petrol quotas are granted on quarterly and not on yearly basis and they vary from quarter to quarter according to the total availability of petrol for civil consumption and the number of vehicles on the road in each territorial unit. With the formation of Rajasthan the sum total of the petrol quotas granted to the various states forming the union became the petrol quota of Rajasthan. For the July-September and the October-December 1949 quarters, the quotas amounted to 788,000 and 821,000 gallons respectively.

(c) Apparently, the Honourable Member is referring to the Resolution recently adopted by this House for increasing the Reserve in the Central Road Fund from 15 to 20 per cent. This resolution has no effect on the quota

of petrol for Rajasthan, but it will enable Rajasthan to get a greater share than before of the money in the Reserve in the Road Fund. How much greater this share would be cannot be stated at once as the competing demands of other areas have also to be taken into account.

Effect of Economy Cut on Telephone System in West Bengal

*827. **Shri Mihir Lal Chattopadhyay:** Will the Honourable Minister of **Communications** be pleased to state:

(a) whether the proposed economy cut in the budget will affect the remodelling of telephone system in the city of Calcutta and extension of telephone connections in other exchanges in the province of West Bengal; and

(b) whether Government have under contemplation any scheme for raising capital for the development work in connection with the telephone system in West Bengal?

Shri Khurshed Lal (Deputy Minister of Communications): (a) No, not so far as the city of Calcutta is concerned.

The telephone expansion programme for 1949-50 for the rest of the Province of West Bengal provided for the opening of eight new exchange systems and the extension of ten existing systems. On account of the economy cut, the programme has been reduced to the opening of four new exchanges and extension to six existing exchanges only. No telephone expansion is proposed in the Province of West Bengal except in Calcutta for the year 1950-51.

(b) A scheme of the type is under consideration.

Mhow Road (in Rajasthan and Madhyabharat)

*827-A. { **Shri Balwant Sinha Mehta:**
Shri Sita Ram S. Jajoo:

(a) Will the Honourable Minister of **Transport** be pleased to state whether Government are aware that the National Highway Nasirabad-Mhow Road (in Rajasthan and Madhyabharat) is in a dilapidated condition?

(b) If so, what steps do Government propose to take in this direction and when?

The Honourable Shri K. Santhanam: (a) and (b). The Nasirabad-Mhow Road is not a National Highway. There are two road routes between Nasirabad and Mhow. One is *via* Neemuch and Ratlam; and the other *via* Kotah and Ujjain. The latter is motorable throughout; but the former is not motorable in the section in Rajasthan between Neemuch and Nasirabad. On both routes, small sections of the road are maintained by the Central Public Works Department; and my information is that those sections are in good condition and are adequately maintained. The maintenance of the other sections of the roads is the concern of the Unions of Rajasthan and Madhyabharat.

Chambal Hydro-Electric Project in Rajasthan

*827-B. **Shri Balwant Sinha Mehta:** Will the Honourable Minister of **Works, Mines and Power** be pleased to state:

(a) what progress has so far been made in the Chambal Hydro-electric Project in Rajasthan;

(b) whether it has been located at Rawatbhatta or in Kotah Division;

(c) why this site was selected and on what basis;

(d) what would be the total estimated cost of the Project;

(e) when it will be completed; and

(f) how much land is expected to be irrigated and how much power is likely to be generated thereby?

The Honourable Shri N. V. Gadgil: (a) and (b). The Chambal Hydro-electric Project comprises two dams, one at Rawatbhatta (called Mewar Dam) and the other near Kotah (called Kotah Dam). The scheme has not yet reached the Government of India in its final form. The information now being given should therefore be regarded as tentative.

(c) The selection of sites depends and has been done, on topographical and technical grounds.

(d) The cost of Rawatbhatta Dam has been estimated at Rs. 5·7 crores; the Kotah Dam is under investigation and its cost has not yet been estimated.

(e) The work on the project has not yet started, the date when it will be completed is not yet known.

(f) The Rawatbhatta Dam will provide irrigation for 10,000 acres of lands in Rajasthan. It will also be possible to irrigate additional lands in Rajasthan and some land in Madhyabharat, if a separate barrage is constructed downstream of the Kotah Dam. 87,500 KW of power is expected to be generated at Rawatbhatta Dam and about 31,800 KW at the Kotah Dam.

POSTS AND TELEGRAPHS (PROFIT)

*827-C. **Sjt. Kuladhar Chaliha:** Will the Honourable Minister of Communications be pleased to state:

(a) the profit made from the working of the Post offices in India during the years 1947-48 and 1948-49;

(b) the profit made from the working of the telegraphs and telephones systems in India during the same period;

(c) whether it is a fact that the Government of the United Kingdom have always adopted the principle of working the post offices on a no profit and no loss basis;

(d) if so, whether the Government of India propose to adopt the same principle for the benefit of the people in this country; and

(e) whether it is a fact that in the United States of America Postal Departments work at a deficit always and they are to explain only when they fall short of the estimated deficit?

Shri Khurshed Lal (Deputy Minister of Communications): (a) 1947-48—Prepartition-Loss of Rs. 10,30,367; Postpartition profit of Rs. 62,22,841.

1948-49—loss of 1½ crores of rupees.

(b) 1947-48—Prepartition-profit of Rs. 1,62,38,120; Postpartition-profit of Rs. 2,38,16,101.

1948-49—Profit of four crores of rupees.

(c) It is believed to be so, but Government have no reliable information.

(d) As will be apparent from the reply to (a), post offices in India are not running at a profit.

(e) Government have no information.

ASSAM'S LINK WITH TRIBAL AREAS BY ROAD AND RAIL

*827-D. **Prof. N. G. Ranga:** Will the Honourable Minister of **Transport** be pleased to state:

(a) whether it is a fact that the Government of Assam have recommended the need for constructing a military road connecting the settled districts of Assam with the tribal areas without having to pass through any portion of Pakistan;

(b) whether it is a fact that there is no railway connection between Assam and the tribal areas; and

(c) if the reply to parts (a) and (b) above be in the affirmative, whether Government propose to construct this road?

The Honourable Shri K. Santhanam: (a) and (c). No such recommendation has been made to the Government of India. The question of constructing a military road does not arise.

(b) No. There is no Railway connection with the tribal areas.

UNSTARRED QUESTIONS AND ANSWERS

HIRAKUD DAM PROJECT

30. Shri Lakshminarayan Sahu: Will the Honourable Minister of **Works, Mines and Power** be pleased to state:

(a) the total cost incurred so far by Government in reclaiming land for rehabilitating persons to be affected by the Hirakud Dam Project;

(b) the average cost of making ready for cultivation an average acre of each of the four classes of land in the Hirakud area;

(c) the average cost of excavating a tank or reservoir for irrigation in the Hirakud area; and

(d) the number of tanks or reservoirs actually excavated for irrigation in the Hirakud area?

The Honourable Shri N. V. Gadgil: (a) Rs. 2,70,200.

(b) The approximate cost of preparing land for cultivation varies from Rs. 51 to Rs. 359 per acre depending on the quality of the land.

(c) The cost depends on the size of the tank or reservoir and the nature of the land to be excavated.

(d) One tank is reported to have been excavated with manual labour and three with bull-dozers.

RAILWAY FREIGHT (B. N. RAILWAY)

31. Shri R. L. Malviya: Will the Honourable Minister of **Railways** be pleased to state the amounts of revenue realised annually by Government as freight from coal despatched from the Manendragarh and Chirimiri stations on the Bengal Nagpur Railway during the years 1940 to 1949?

The Honourable Shri K. Santhanam: The information desired by the Honourable Member is in respect of two specific stations. Station records from which such information is compiled, are not preserved for more than two years. The information, therefore, for the period prior to 1st April, 1947 is not now available. The amounts received annually as freight from coal despatched

from Manendragarh and Chirimiri stations during 1947-48, 1948-49 and 1949-50 (upto October, 1949) have been as follows:

Station	Amount received by Government as freight from coal . (in Rs.)		
	1947-48.	1948-49.	April 1949 to October 1949.
Manendragarh	21,68,802	26,92,961	23,77,332
Chirimiri	61,18,271	67,29,386	37,58,317

SALE OF BRICKS

32. Shri Damodar Swarup Seth: Will the Honourable Minister of **Works, Mines and Power** be pleased to state:

(a) whether the sale of bricks by the kiln contractors without a permit is forbidden in Delhi and whether there are exceptions to this order;

(b) if the reply to part (a) above be in the affirmative, the criteria for the grant of the permits and the authority competent to issue them; and

(c) whether Government propose to consider the desirability of relaxing the restrictions and if so, in what cases?

The Honourable Shri N. V. Gadgil: (a) Yes. The sale of bricks by the kiln contractors without a permit is forbidden in Delhi, except when required for approved Government works.

(b) Permits are issued for authorised structures only. They are issued by the Director of Rationing and Civil Supplies Delhi, on the production of a certificate from the Chairman, Delhi Improvement Trust, the Municipal Engineer, the Land and Development Officer, or a Registered Architect and in the case of Rural Areas the Tehsildar. In cases of minor repairs involving the use of Bricks, where there is no apprehension of their being used for unauthorised structures, permits are issued without such certification.

(c) It is proposed to relax the restrictions in the case of Rural areas where the question of construction being put up contrary to Municipal Laws and Regulations does not arise. A plan is being worked out to provide that bricks are available in rural areas without any restrictions and at the same time to see that this relaxation is not misused in places where there is a Municipal authority.

POST OFFICE CASH CERTIFICATES PURCHASED FROM POST OFFICES IN PAKISTAN

33. Giani Gurmukh Singh Musafir: Will the Honourable Minister of **Communications** be pleased to state:

(a) whether the Government of India registered any claims of displaced persons from Pakistan with respect to Post Office Cash Certificates purchased from various Post Offices now in Pakistan;

(b) if the answer to part (a) above be in the affirmative, whether those claims were got verified from the Post Offices of issue;

(c) if the answer to part (b) above be in the affirmative, the total amount payable against the claims thus verified;

(d) the total amount so far paid by Government against the verified claims;

(e) the reasons for the non-payment of balance if any, and in case nothing has been paid so far, the reasons for non-payment of the entire amount; and

(f) the steps Government propose to take for the payment of such sums?

Shri Khurshed Lal (Deputy Minister of Communications): (a) Yes.

(b) Yes.

(c) and (d). Information is being collected and will be placed on the Table of the House in due course.

(e) They have not been presented for encashment; it is left to the option of the holder to discharge them or to continue them for the full period for which they can be kept under the rules.

(f) In view of the reply given to (e) this does not arise.

INCOME FROM MESSAGE RATE SYSTEM OF TELEPHONES

34. Shri P. Kunhiraman: (a) Will the Honourable Minister of Communications be pleased to state the total income from telephones in Delhi, after the introduction of the present message rate system for a month, from the 16th November to 15th December, 1949, and the income for the corresponding period during 1948?

(b) What is the gain or loss for the same period *viz.*, from 16th November to 15th December, 1949 in the other places where the message rate system has recently been introduced?

Shri Khurshed Lal (Deputy Minister of Communications): (a) The information required, namely, the total income of the Delhi Telephone District from 16th November to 15th December, 1949. is not yet available. The income from telephone rental and call charges of the Delhi District for the previous month, namely from the 16th October 1949 to 15th November 1949, was Rs. 1,51,300. The rent realised from telephone connections for the corresponding month in the previous year was Rs. 1,95,500.

(b) Comparing the same periods, *viz.*, 16th October to 15th November during 1948 and 1949 for Poona and Bombay where message rates were introduced in February and May, 1949, there was an increase in revenue in the current year, the amounts being Rs. 8,854 for Poona and Rs. 34,000 for Bombay. At Amritsar, where the message rate was introduced a year ago, there was a drop in the revenue this year of Rs. 528 compared to the corresponding period of last year.

FLYING CLUBS

35. Shri P. Kunhiraman: (a) Will the Honourable Minister of Communications be pleased to state the number of flying clubs that exist in India at present and the places where they are located?

(b) Is there any proposal to open more flying clubs in India?

(c) Has any proposal to open a flying club in Cannanore (North Malabar) in order to facilitate quicker transmission of mails on the west coast, been considered and if so, with what results?

Shri Khurshed Lal (Deputy Minister of Communications): (a) I lay on the Table a statement giving the required information.

(b) Yes Sir. It is proposed to grant subsidies for the development of Flying Clubs at Dibrugarh (Assam), Allahabad and Mysore as soon as funds become available.

(c) No Sir.

STATEMENT

Number of Flying Clubs that exist in India and the places where they are located.

Subsidised Flying Clubs

(1) Delhi Flying Club, Civil Aerodrome, New Delhi.
(2) Bombay Flying Club, Juhu Aerodrome, Bombay.
(3) Madras Flying Club, St. Thomas Mount, Madras.
(4) Bengal Flying Club, Barrackpore, Calcutta.
(5) Bihar Flying Club, Patna.
(6) Orissa Flying Club, Bhubaneshwar.
(7) C.P. and Berar Flying Club, Nagpur.
(8) Hind Provincial Flying Club, Lucknow.
(9) Northern India Flying Club, Jullundur Cantt.

Non-Subsidised Flying Clubs

(1) Assam Flying Club, Dibrugarh.
(2) Mysore Flying Club, Bangalore.
(3) Hyderabad Flying Club, Begumpet.
(4) Jodhpur Flying Club, Jodhpur.

PEPPER RESEARCH STATION

36. Shri P. Kunhiraman: (a) Will the Honourable Minister of **Agriculture** be pleased to state whether the Government of India have a proposal to open a pepper Research Station?

(b) If so, when is it likely to be opened and where?

(c) Do Government propose to take into consideration the facilities in and claims of, Taliparamba (North Malabar) where a fruit and pepper farm already exists?

The Honourable Shri Jairamdas Doulatram: (a) and (b). The Government of India have not considered any proposal or scheme so far for setting up a Pepper Research Station. The Indian Council of Agricultural Research have, however, under consideration a scheme to subsidise the Government of Madras to set up such a station under the supervision of the Government of Madras. The site and other particulars have not yet been settled.

(c) Suitable sites will no doubt be considered by the Indian Council of Agricultural Research and the Government of Madras if and when the scheme materialises.

INDIA'S PRODUCTION AND REQUIREMENT OF COTTON

36-A. Kaka Bhagwant Roy: (a) Will the Honourable Minister of **Agriculture** be pleased to state what is the total production of cotton in India?

(b) What are the different varieties of cotton produced in India?

(c) What is the total requirement of cotton in India?

The Honourable Shri Jairamdas Doulatram: (a) The production in 1949-50 is estimated to be 28 lakh bales.

(b) The varieties are as follows: Bengals, Americans, Oomras, Hyderabad, Gaorani, Central India, Broach, Surti, Dholleras, Southerns, Tinnevellies and Cambodias.

(c) On the basis of the actual consumption of cotton in India during the three years ending 1948-49, it is estimated that the requirements are as follows: For Mill consumption 41,10,000; For Extra-factory consumption 2,70,000. Total 43,80,000.

Wednesday
21st December, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Official Report

Volume VII, 1949

(19th December to 24th December, 1949)

Sixth Session
of the
CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)
1949

PRINTED IN INDIA BY THE MANAGER
GOVT. OF INDIA PRESS, NEW DELHI: 1952

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Wednesday, 21st December, 1949

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

QUESTIONS AND ANSWERS

(See Part I)

11-45 A.M.

MOTION FOR ADJOURNMENT

EVICTION OF AN INDIAN BANK IN LAHORE BY PAKISTAN GOVERNMENT

Mr. Speaker: I have received a notice of an adjournment motion by an hon. Member of this House for the purpose of discussing a definite matter of urgent public importance, namely:

"The action of the Pakistan Government in evicting an Indian bank in Lahore from its premises without notice and without providing alternative office and residential accommodation."

Obviously, this motion is not admissible at all, as it cannot be brought in this House to discuss the action of the Pakistan Government.

Incidentally, I might inform the House that it has been a regular practice here to read out all adjournment motions to the House and give the Speaker's decision in the House and I have stuck to that practice because it is a wholesome practice working as an automatic check on a capricious or autocratic ruling out of motions and thereby the members also come to know the grounds on which various motions are ruled out. But I may say, as I have once said before, that in cases of motions of this type which are obviously against all rules on adjournment motions, I do not propose henceforward to read them to the House and then give my decision.

Shri R. K. Sidhva (C.P. and Berar: General): May I know who is the hon. Member?

Mr. Speaker: I do not propose to disclose the name. It is therefore that I said in the beginning: "a notice of an adjournment motion from an hon. Member."

PANEL OF CHAIRMEN

Mr. Speaker: I have to inform the House that under sub-rule (1) of Rule 2 of the Rules of Procedure and Conduct of Business, I nominate Pandit Thakur Das Bhargava, Shri S. V. Krishnamoorthy Rao, Shrimati G. Durgabai and Shri T. A. Ramalingam Chettiar on the Panel of Chairmen.

COMMITTEE ON PETITIONS

Mr. Speaker: I have to announce that under sub-rule (1) of Rule 65 of the Rules of Procedure and Conduct of Business, the following Honourable Members will from the Committee on Petitions, namely: Pandit Thakur Das Bhargava, Shri S. V. Krishnamoorthy Rao, Shri R. K. Sidhva, Shrimati Dakshayani Velayudhan and Shri B. Das.

BUSINESS OF THE HOUSE

Mr. Speaker: Before the House proceeds with the Legislative business, I may just clear one misunderstanding. I was told that hon. Members were in doubt yesterday as to whether the House should sit up to six o'clock or not, under the impression that I had not made the position clear: I might now make it clear and say so that there may be no further misunderstanding on their part, that the House will sit up to six o'clock for the conduct of business.

Now the House may proceed with the Legislative business.

Shri H. V. Kamath (C.P. and Berar: General): Sir, in spite of the announcement of the Government Chief Whip yesterday that two Bills would be dropped, they have been given priority in the list of business today.

Mr. Speaker: It is as he stated yesterday, I think. He said that the motion will be made and the further stages will be dropped. This is what he stated. The constitutional position is that if a motion in respect of these Bills is not made, then they will lapse. So it has become necessary to make the motion.

Dr. P. S. Deshmukh (C.P. and Berar: General): May I say a word on the point of procedure. Sir, you have very often announced your intentions, your resolutions or decisions on certain points. May I voice my feeling that these decisions of yours very often involve and encroach upon the privileges of the Members and of this House. Would it not be possible for you to appoint a Committee which will look into these questions before you make up your mind and give a ruling, against which we have no chance of protest or discussion?

Mr. Speaker: I may inform hon. Member that all the decisions which I give are according to the precedents of this House and in cases not governed or in which I do not find a precedent, they follow the usual Parliamentary practice. But if, in any case any hon. Member has to discuss any matter with me, he can see me in my Chamber and discuss the matter with me. I do not propose to allow any argument and it is not possible to appoint a Committee of this House for everything. Thereby the work would be impossible.

ROAD TRANSPORT CORPORATIONS BILL

The Honourable Shri K. Santhanam (Minister of State for Transport and Railways): Sir, I beg to move for leave to introduce a Bill to provide for the incorporation and regulation of Road Transport Corporations.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the incorporation and regulation of Road Transport Corporations."

The motion was adopted.

The Honourable Shri K. Santhanam: Sir, I introduce the Bill.

ARMY BILL

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): Sir, I beg to move for leave to introduce a Bill to consolidate and amend the law relating to the government of the regular Army.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to consolidate and amend the law relating to the government of the regular Army."

The motion was adopted.

The Honourable Shri Satyanarayan Sinha: Sir, I introduce the Bill.

ESTATE DUTY BILL

Mr. Speaker: Now we shall take the other Bills. I believe the motions will simply be made and no further discussion is going to take place.

The Honourable Dr. John Matthai (Minister of Finance): I move that the Bill to provide for the levy and collection of an estate duty in the Provinces of India, as reported by the Select Committee, be taken into consideration.

Mr. Speaker: Motion moved:

"That the Bill to provide for the levy and collection of an estate duty in the Provinces of India, as reported by the Select Committee, be taken into consideration."

Shri M. Thirumala Rao (Madras: General): Sir, I have got a motion that the consideration of the Bill be postponed to the Budget Session, 1950.

Mr. Speaker: He has to make a motion for postponement. He may make the motion. That will regularize the procedure.

Shri Thirumala Rao: I move:

"That the consideration of the Bill be postponed to the Budget Session, 1950."

The Honourable Dr. John Matthai: I accept the amendment.

Mr. Speaker: The question is:

"That the consideration of the Bill be postponed to the Budget Session, 1950."

The motion was adopted.

AJMER-MERWARA TENANCY AND LAND RECORDS BILL

The Honourable Shri Jairamdas Doulatram (Minister of Food and Agriculture): I beg to move:

"That the Bill to declare and amend the law relating to agricultural tenancies, record-of-rights and certain other matters in Ajmer-Merwara, as reported by the Select Committee, be taken into consideration."

Mr. Speaker: Motion moved:

"That the Bill to declare and amend the law relating to agricultural tenancies, record-of-rights and certain other matters in Ajmer-Merwara, as reported by the Select Committee, be taken into consideration."

Shri M. Thirumala Rao (Madras: General): Sir, I move:

"That the consideration of the Bill be postponed to the Budget Session, 1950."

The Honourable Shri Jairamdas Doulatram: I accept the amendment.

Mr. Speaker: The question is:

"That the consideration of the Bill be postponed to the Budget Session, 1950."

The motion was adopted.

RESOLUTION *RE* REVISION OF CONVENTION RELATING TO SEPARATION OF RAILWAY FROM GENERAL FINANCE

The Honourable Shri N. Gopalaswami Ayyangar (Minister of Transport and Railways): Sir, I rise to move the resolution which stands in my name. I move:

"This Assembly, after considering the recommendations of the Committee appointed by it in April 1949 to review the Convention relating to the separation of railway from general finance which was adopted under the Assembly Resolution, dated the 20th September, 1924, and in supersession of that and all other previous resolutions on the subject, resolves:

(1) that railway finance shall continue to remain separated from general finance;

(2) that the general tax-payer shall have the status of the sole share-holder in the railway undertaking;

(3) that on the capital invested out of general revenues in the railway undertaking as computed annually, general revenues shall receive only a fixed annual dividend;

(4) that for a period of five years, commencing from 1950-51, the annual dividend shall be a sum calculated at the rate of 4 per cent. on the capital invested, provided that no dividend shall be payable on the capital invested out of general revenues in unremunerative strategic lines;

(5) that a Committee of the House shall review the rate of dividend towards the end of the aforesaid period and suggest for the years following it any adjustment considered necessary, having regard to the revenue returns of the railway undertaking, the average borrowing rate of Government and any other relevant factors;

(6) that the existing railway reserve shall be renamed the Revenue Reserve Fund and utilised primarily for maintaining the agreed payments to general revenues and for making up any deficit in the working of the railways;

(7) that a Development Fund shall be constituted for financing expenditure for the following purposes:

(a) passenger amenities,

(b) labour welfare, and

(c) railway projects which are necessary, but unremunerative;

(8) that for meeting the cost of replacement and renewal of assets, the Depreciation Reserve Fund shall receive, for the next five years, a minimum contribution of Rs. 15 crores per annum chargeable to the working expenses of the undertaking;

(9) that the railway surplus shall be available for distribution amongst the Revenue Reserve Fund, the Development Fund and the Depreciation Reserve Fund to the extent the last named needs strengthening over and above the minimum annual contribution;

(10) that a Standing Finance Committee for Railways and a Central Advisory Council for Railways shall be constituted in the manner laid down in the motion adopted by this House on 23rd March, 1949;

(11) that the annual estimates of railway expenditure shall be placed before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demands for grants for railways by the Assembly; and

(12) that the Railway Budget shall be presented to the House, if possible, in advance of the general budget and separate days shall be alloted for its discussion and the Minister for Railways shall then make a general statement on railway accounts and working. The expenditure proposed in the Railway Budget, including the appropriation to the Depreciation Reserve Fund, the Development Fund and the Revenue Reserve Fund shall be placed before the House in the form of demands

for grants. The form the budget shall take, the details it shall give, and the number of grants into which the total vote shall be divided, shall be drawn up by the Ministry of Railways in consultation with the Standing Finance Committee for Railways.

2. This Resolution shall come into force from 1st April, 1950."

Sir, this Resolution accepts the recommendations of a Committee which the House elected during the last Budget Session and in the Resolution which provided for the election of this Committee, it was directed that the Committee should make recommendations before the 31st of December, 1949. Those recommendations were made by the Committee on the 3rd of December, and Government having considered these recommendations are coming now before the House with this Resolution for the purpose of getting the acceptance of the House to the recommendations embodied in this Resolution.

Now, Sir, it is just over 25 years since the Legislative Assembly of that time first took the decision to separate Railway from General Finance and also adopted certain other recommendations, some of them providing for the manner in which a contribution from Railway Finance to General Finance might be made in addition to the interest charges that were being paid. It also provided for a Standing Finance Committee and a Central Advisory Council and certain other ancillary matters. That Convention, as it has come to be called, was in operation for a number of years. The idea at the time this Resolution was passed was that the Convention should be reviewed periodically for the purpose of seeing how it worked and what changes it needed. Attempts were made to review the Convention from time to time and the last of these attempts was in the year 1942-43 when the war was on. The Resolution adopted in the year 1943 was that, so far as the contribution to General Revenues was concerned, the provisions of the 1924 Resolution should cease to operate. The Resolution directed certain *ad hoc* contributions from that year and, I think, also the following year and provided that for the subsequent years, the contribution should be decided on an *ad hoc* basis according to the circumstances attending both the administration of General Finances and the administration of Railway Finances. It is under that Resolution that the contribution has been determined during the years since 1942-43.

These arrangements have not worked in a very satisfactory fashion. Everybody who has studied this question has felt that a more satisfactory and perhaps a more permanent solution of this problem should be brought about and that was why the House, in spite of the recommendation of the Indian Railway Enquiry Committee, appointed this Committee in April last for the purpose of examining the whole question and making recommendations.

Pandit Hirday Nath Kunzru (U.P.: General): Did my hon. friend say that this Committee was appointed in accordance with the recommendation of the Indian Railway Enquiry Committee?

The Honourable Shri N. Gopalaswami Ayyangar: I said, in spite of. The Indian Railway Enquiry Committee was not averse altogether to an examination of this question. It only wanted postponement of this examination for a period, I think, of about five years. But, as the House will remember, when this point was taken up in the course of the debate appointing this Committee, I myself pointed out in reply that it was unnecessary to postpone consideration of this matter and the House agreed with me and the Committee was appointed. Now, Sir, the Committee's report is unanimous. I should like to take advantage of this occasion to pay a tribute to the work of the Members of this House on the Committee, the amount of attention
12 Noon that they gave to the whole question and the very satisfactory conclusions, if I may describe them to be so, that they arrived at after the examination that they carried out.

[Shri N. Gopalaswami Ayyangar]

There are a few points which I would like to lay down,—I do not want to take up the time of the House too much—and I think it is necessary for the House to get hold of the principles whose acceptance really swayed the recommendation of the Committee. Railways are essentially a public utility undertaking; but that undertaking has to be run on a commercial basis. The fact that it is a public utility undertaking requires, in the first place, that it should render an essential service in the public interest, and secondly, that it should provide a service of the highest possible quality in regard to safety, amenities and the like, and thirdly, that it should not take advantage of the monopoly it enjoys as regards railway transport for the purpose of exploiting its victim, if I may call him so, namely the consumer of the service and thus attempt to profiteer. The fact that it has to be run on a commercial basis demands, firstly, that it should be run on sound business lines, secondly, that it should pay an economic remuneration to labour and capital: in other words, an adequate wage to the labour employed in the undertaking, both skilled and unskilled, and it should also pay a fair dividend to the shareholder. The State is the sole shareholder of this undertaking. The shares are not on the market, however; they are not hawked about on the exchanges. So, it follows that the dividend should not be less than the rate at which the Government usually borrows. It might be slightly higher than such rate of interest; but it should not be so high as to disable rendering of the service to the public or in a manner costlier than necessary or to necessitate the raising of fares and freights unduly or to starve the building up of reserves which are so necessary for avoiding over-capitalisation in the financing of replacements and renewals, for the improvement of the quality of the service, for the making of provision for increasing amenities and giving more and more facilities to passengers on the one hand and consignor and consignee on the other, and for extending the service to areas which cannot by themselves pay the minimum dividend on the capital invested. These are the fundamental conceptions at the back of the recommendations of the Committee. After paying the dividend, a dividend calculated on the basis of these principles, if a surplus is realised, commercial considerations demand that such a surplus should be ploughed back into the industry either in the shape of immediate expenditure of the kind I have already referred to, or in the shape of strengthening the reserves which are accumulated for such expenditure in the future. To divert any portion of such a surplus as an extra contribution to general revenues either on the formula of the 1924 Convention or in an *ad hoc* manner for each year as in the 1948 Resolution could not be related to any acceptable principle of sound financing applicable either to railway or to general finance. To do so would introduce a certain amount of uncertainty into both General and Railway finances. It will be unhealthy from the point of view of both. General finance has to count upon something definite which it can get from the working of the railways each year; otherwise any planning that it may undertake is prejudiced by the uncertainty that will prevail. Railway finance has also to be assured that, if the administration of the railways does bring into existence a surplus, it can have full control over that surplus for the purpose of overtaking heavy arrears of maintenance and improvements. Also it will be enabled to find money for expansion in various directions. It will find the funds ready to hand for the purpose of effecting improvements, for the purpose even of maintenance of proper standards both in operation and amenities. If General finance should come to lean upon transport in the shape of railways for meeting deficits and for avoiding other taxation, it is a development which will certainly not be healthy. Any levy or tax particularly on State or public-owned transport for financing general expenditure is bad in itself and difficult to justify. Perhaps hon. Members will remember—such of them as have had occasion to look

through the debates of 1924—that the spokesmen on behalf of the Government in those days made a great point of the fact that a tax on transport is a bad tax, and while the spokesmen of Government in those days would have been content with a smaller contribution to general revenues from railways, those who spoke for the public in the House in those days wanted a larger contribution. The reason for this was natural, if we remember the circumstances of the time. Those were days when a considerable number of the railways were administered by companies whose headquarters were in England and the popular leaders always thought that, if more money was left in the hands of the railways, it would be money which the foreign investors will annex, and it will not be money which will be available for expenditure in the interests of the user of railways in the country. A compromise was reached and the 1924 Resolution was the result. Now, I refer to that particular aspect of the debate in 1924 only to draw attention to the fact that the Committee which has just now reported to the House realised that, if we were going to treat the general tax-payer as the sole shareholder of this public utility-*cum*-commercial undertaking, then the shareholder should not be entitled to anything more than his dividend and, once that dividend is paid, all surplus which accurues must be surplus which should be ploughed back into the undertaking either at once or through accumulated reserves in the future. Now, the House might ask me, 'Well, supposing general finance was in a bad way and they wanted that some addition should be made to general revenues from sources other than the usual ones and having examined all possible sources for such funds, they came to the conclusion that some contribution from those who use the railways might well be taken for the purpose of strengthening general finances in a particular year or in a series of years'. Assuming that that is the conclusion reached by the Government and the Assembly, the proper way to levy that contribution would not be to come and ask the railway undertaking to pass over some of its surplus after payment of dividend, to the general tax-payer, but the method should rather be to explore the possibilities of imposing a tax on fares and freights for general purposes. Hon. Members will remember that both in the Government of India Act of 1935 and in the new Constitution which will come into force on the 26th January next, there are provisions which enable the hon. Finance Minister to tap these sources in a more direct way. Under Article 269 of the new Constitution, a tax on railway fares and freights could be imposed by the Centre but the proceeds of that tax have got to be distributed to the different States. But there is another provision in Article 271 which enables the Centre to add a surcharge to such a tax for Union purposes only. So if the hon. Finance Minister wants to raise some money out of those who use the railways, that, I suggest, would be the proper way to get that contribution and it should not be the practice hereafter to look to the surpluses realized on this commercial undertaking for the purpose of adding to the dividend which is assured to the general tax-payer.

There is another point which hon. Members might perhaps ask in this connection. Let us take the years in which the war was on. Surpluses of huge dimensions were realized on the Railways in those years. When such windfalls are realized on the Railways and it could be contended that those windfalls were due to the large expenditure that out of general revenues was being incurred on account of the war, is it right that the general tax-payer should be denied a share of these windfalls? Now, Sir, I agree that in those years General finances did stand in need of assistance but, if that assistance was to be taken from the overflowing surpluses of the Railway undertaking in those days, I suggest for the consideration of the hon. Finance Minister, if such a situation should arise in the future, that the share that is taken out of railway surpluses should not be taken as a free gift from the Railways but should be taken in reduction of the capital at charge of the Railways. If we paid, as we did during those

[Shri N. Gopalaswami Ayyangar]

years, 30 or 35 crores every year to general revenues, that went into the General Exchequer and enabled the hon. Finance Minister of those days to avoid borrowing to that extent and it is only right that, in view of the fact that we have to pay interest on the amount which has been placed at the disposal of the Railways, we should be given the liberty to pay back some of the debt whenever we are in a financial position to do so.

It is also not quite accurate to say that those windfalls were the result of large expenditure from general revenues. No doubt the general revenues expenditure did contribute to the realization of those surpluses. But the surpluses were realised at more than ordinary cost to Railways because the operation of the Railways in the congested conditions of those days did produce an amount of deterioration in lines, rolling stock and other things which required to be put right soon after or almost immediately after the war by more than ordinary expenditure on these different items. Perhaps hon. Members will realize that between the years 1940/41 and 1945/46 no less than 154 crores were paid to the General Revenues from Railway surpluses!

Now, Sir, I refer to these aspects because I want the House to realize that by saying that the general revenues should get only a 4 per cent. dividend on the capital at charge, the Committee has made no recommendation which can be attacked on grounds of principle or reasonableness.

I turn to another point and that is this. I feel there is some indication of it in one or two of the amendments of which notice has been received, i.e., it has been contended that perhaps it would be the right thing to do to subject the net income from Railways to income-tax. I wish to draw the particular attention of hon. Members to the fact that, under the law, the income from Railways is not liable to income-tax—has not been liable so far—and if I can say it, subject to correction, I do not think that under the new Constitution income from Railways could be subjected to Union Income-tax. So long as Railways are not a Corporation, apart from Government, and are owned and run by Government themselves, I do not think the income from Railways will be subject to income-tax. But even assuming that such income was assessable to income-tax, only the surplus could be taxed. On this basis between 1924/25 and 1949/50, i.e., for 26 years, the tax including surcharges, super-taxes, Excess Profits Tax and all the other taxes—I believe there was a surcharge on Super-tax also for some years—including all these, the total tax which could have been levied on Railway surpluses during that period has been calculated to be 198 crores. The actual payment from Railways to General Revenues during that period was 222 crores—about 30 crores more than what income-tax would have brought to General revenues.

Shri Jaspat Roy Kapoor (U.P.: General): What would it come to if 4 per cent. dividend were added to it?

The Honourable Shri N. Gopalaswami Ayyangar: I can give you some figures about that but I do not know if it will help us in this debate. During those 26 years, the dividend at 4 per cent. has been calculated to be 745·72 crores. I find that the contribution actually made, as I have already told the House, was 222 crores and the interest calculated at the rates which were in vogue then would have amounted to 787·78 crores making a total of 959·78 crores. Now, I do not know if one need base any conclusion on those figures. Of course we have got to remember that the net income has to be arrived at after making reasonable provision for necessary reserves. If that had been done the income-tax estimate would have been much lower. Then, the provision for depreciation

made is also lower, I believe, than the depreciation allowable under the Income-tax Act in the case of industries. In the first place Income-tax is not leviable. In the second place, if it is levied in the proper way, I rather think that perhaps the amount that would accrue to General Revenues, after you make proper deductions for reserves and for adequate depreciation, will probably be smaller than what actually would be payable under the 4 per cent. dividend rule.

Prof. Shibban Lal Saksena (U.P.: General): At what percentage have you charged so far for the Depreciation Fund?

The Honourable Shri N. Gopalaswami Ayyangar: I will probably say something about it in the course of my remarks, or perhaps later on. It is one-sixtieth, and if it is corrected with reference to the estimated lives of the assets properly and so on, it would come to about one-fiftyfifth. One-sixtieth really amounts to Rs. 11½ crores now. If it became one-fiftyfifth, we probably will have to add another crore. That is the position.

Shri B. P. Jhunjhunwala (Bihar: General): What is the rate at which it should be allowed according to the Income-tax practice?

The Honourable Shri N. Gopalaswami Ayyangar: I am not very familiar with Income-tax deductions.

Mr. Speaker: There are different rates for different items. They are not identical.

The Honourable Shri N. Gopalaswami Ayyangar: I am afraid it will be a rather complicated calculation. But I am almost certain that the deduction for depreciation will have to be much more than what we are actually paying to the Depreciation Fund today.

There is also one other aspect which I should like the House to take notice of, and that is that the history of our capital at charge is also one which would well repay examination from the stand-point of the Railways. But the Committee and I did not think that it was necessary to burrow into that particular aspect of railway finance, because we thought that past practice in this respect should be respected as far as possible and the 4 per cent. dividend should be leviable on what is today shown as capital at charge in the railway accounts. There are, for instance, cases where capital has been added to in respect of increased expenditure on account of price inflation, in regard to expenditure on minor works, in regard to premia paid on the purchase of railways from companies and so on. And if we made allowance for all these, we probably would have a smaller capital at charge than we have today.

The other thing I should like to draw the attention of the House to is this. The House will remember that a few minutes ago I said that the better way of dealing with the large contributions that Railways made to General Revenues in the war years would be to have taken those contributions in reduction of the debt which Railways owe to General Revenues. If that had been done, out of Rs. 154 crores, even if we had deducted the usual contribution to General Revenues for those years, the remainder would have reduced our capital at charge by about a hundred crores of rupees.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Shri S. V. Krishnamoorthy Rao (one of the Panel of Chairmen).*]

I am not saying these things for the purpose of asking my honourable colleague to agree to a reduction of the capital at charge. I do not propose to ask him to do that, but what I wish to say is that the proposals of the Committee are proposals which err on the side of a liberal attitude towards General Revenues, and they could not be attacked on the ground that the dividend proposed for

[Shri N. Gopalaswami Ayyangar]

payment to General Revenues is something which is not worth looking at, as some hon. Members of the House seem to think, from the trend of the amendments of which they have given notice.

I do not think I will take up more time of the House. I would only refer to some of the parts of this Resolution. I have said enough about the dividend. Now, it is necessary that whatever we decide as being the rate of dividend to be paid at once, it should not be in force for a longer period than would be justified in the present circumstances. In the first place, things have got to settle down as regards the expenditure on operation, maintenance, improvement etc. of the Railways themselves. In the second place, the Government have to watch the money market and watch how the rate of interest on their borrowing will express itself in the next few years. When conditions both on the Railways and in respect of General Finances reach a more stable level than they are in today, there should be provision for a review and a revision of the rate of dividend. That is provided for in parts (4) and (5) of this Resolution. The House will appoint a Committee, perhaps in the fifth year of the Convention, in order to examine the matter and report as to what changes might be necessary.

We propose to continue what is now called the Railway Reserve. We propose to call it the Revenue Reserve Fund. It will be utilised primarily for the purposes mentioned even in the 1924 Resolution, namely, maintaining agreed payments to the General Revenues and also financing any deficit in the working of the Railways. With regard to other Funds, the Committee has taken the view that it is inadvisable to multiply the number of earmarked funds. So they have provided that, in addition to the Depreciation Fund which will be called the Replacements and Renewals Fund in the future, and the Revenue Reserve Fund, there should be only one other fund, namely, the Development Fund. As hon. Members know, there is what is called a Betterment Fund now. And the amount accumulated in that Fund is intended for expenditure on the provision of increased passenger amenities. There is an amount of about Rs. 13·5 crores which will be the balance of that Fund at the end of the current year. There are other demands for expenditure. One is the large problem of labour welfare of various descriptions. This has not in the past been attended to with the same interest that it should have been. It has been considered necessary that special attention should be paid to it and a portion of these accumulated funds should be spent from year to year on labour welfare.

Then there are cases where railway projects are very necessary from the general economic, agricultural and industrial points of view. But more and more it is coming to be realised that, at the present prices of materials, the present wages and so on, it is not always possible to produce a scheme which would satisfy the minimum-return test. But the lines are very necessary from a general economic point of view. The Committee has taken the view that in such cases, whatever is required for the purpose of making a project remunerative from this minimum-return point of view, if it is necessary to finance part of it, or even the whole of it in some cases, out of revenue—that is to say out of funds which are not borrowed—that should be taken out of this Development Fund and the project should be proceeded with.

In the case of replacements and renewals of assets which are ordinarily financed from the Depreciation Fund, the practice has been that a portion of the cost including that due to inflationary factors, and the cost of any improvement in the value of the asset, should be charged to capital and not to the Depreciation Fund. We propose to alter that. The whole of the cost

of replacement and renewal should be met hereafter out of the Replacements and Renewals Fund.

After making the contributions to the Depreciation Fund, and after paying the dividend, whatever surplus may be available should be distributed among the Revenue Reserve Fund and the Development Fund, in the first instance, and if there is any amount which could be spared it should be added to the Replacements and Renewals Fund for the purpose of strengthening it because it is badly in need of such strengthening on account of the arrears of replacements and renewals which we have still to overtake. In this connection, I should like to refer to a recommendation which was made by the Indian Railway Enquiry Committee. They suggested that for the next five years there should be a contribution to the Depreciation Fund at the rate of Rs. 22 crores per annum. What we have done on that recommendation is this, that we have gone a little further than what they have recommended. We have suggested that the ordinary annual contribution should be Rs. 15 crores, but we will have a balance at the end of the current year of something like Rs. 74 crores, and with the help both of the balance and the increased contributions we shall make during the next five years, we shall be in a position to spend out of this Fund at the rate of Rs. 25 crores a year and yet at the end of the five year period leave a balance of Rs. 25 crores in the Fund.

Pandit Hirday Nath Kunzru: May I ask my honourable friend whether the Indian Railway Enquiry Committee has said anywhere in its report that after a contribution of Rs. 22 crores to the Depreciation Reserve Fund had been made, the balance in the Depreciation Reserve Fund should not be drawn upon to meet such additional amount as might be necessary for the purpose of meeting the depreciation charges? Let me explain. My honourable friend has stated that the action taken by Government will yield a better result than what would be achieved under the recommendation of the Railway Enquiry Committee.

The Honourable Shri N. Gopalaswami Ayyangar: I see the hon. Member's point. Perhaps I was not very accurate in what I said. The Indian Railway Enquiry Committee recommended that a contribution of Rs. 22 crores annually should be made to this Fund. I do not accuse them of having been ignorant of the fact that there was a balance of Rs. 74 crores in that Fund. They have certainly not said, in so many words, that that balance should not be drawn upon. What I was suggesting was that in place of the Rs. 22 crores, we contemplate an expenditure of about Rs. 25 crores per annum on this account. The Committee referred to a contribution and I am referring to probable expenditure on this, and that is about three crores more than what they suggested should be the annual contribution. It is quite possible that they had at the back of their minds that the balance could be drawn upon to a larger extent than three crores per annum which would be what our suggestion would amount to. That is a small piece of arithmetic we need not quarrel about.

The remaining clauses of this Resolution, Sir, practically repeat what is contained in the Resolution of 1924 and I don't wish to say anything more now. I would ask the House to accept the Resolution which is the result of very careful examination by a Committee which has unanimously recommended it.

Mr. Chairman: Resolution moved:

"This Assembly, after considering the recommendations of the Committee appointed by it in April 1949 to review the Convention relating to the separation of railway from general finance which was adopted under the Assembly Resolution, dated the 20th September, 1924, and in supersession of that and all other previous resolutions on the subject, resolves :

[Mr. Chairman]

(1) that railway finance shall continue to remain separated from general finance;

(2) that the general tax-payer shall have the status of the sole share-holder in the railway undertaking;

(3) that on the capital invested out of general revenues in the railway undertaking as computed annually, general revenues shall receive only a fixed annual dividend;

(4) that for a period of five years, commencing from 1950-51, the annual dividend, shall be a sum calculated at the rate of 4 per cent. on the capital invested, provided that no dividend shall be payable on the capital invested out of general revenues in unremunerative strategic lines;

(5) that a Committee of the House shall review the rate of dividend towards the end of the aforesaid period and suggest for the years following it any adjustment considered necessary, having regard to the revenue returns of the railway undertaking, the average borrowing rate of government and any other relevant factors;

(6) that the existing railway reserve shall be renamed the Revenue Reserve Fund and utilised primarily for maintaining the agreed payments to general revenues and for making up any deficit in the working of the railways;

(7) that a Development Fund shall be constituted for financing expenditure for the following purposes:

(a) passenger amenities,

(b) labour welfare, and

(c) railway projects which are necessary, but unremunerative;

(8) that for meeting the cost of replacement and renewal of assets, the Depreciation Reserve Fund shall receive, for the next five years, a minimum contribution of Rs. 15 crores per annum chargeable to the working expenses of the undertaking;

(9) that the railway surplus shall be available for distribution amongst the Revenue Reserve Fund, the Development Fund and the Depreciation Reserve Fund to the extent the last named needs strengthening over and above the minimum annual contribution;

(10) that a Standing Finance Committee for Railways and a Central Advisory Council for Railways shall be constituted in the manner laid down in the motion adopted by this House on 23rd March, 1949;

(11) that the annual estimates of railway expenditure shall be placed before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demands for grants for railways by the Assembly; and

(12) that the Railway Budget shall be presented to the House, if possible, in advance of the general budget and separate days shall be allotted for its discussion and the Minister for Railways shall then make a general statement on railway accounts and working. The expenditure proposed in the Railway Budget, including the appropriation to the Depreciation Reserve Fund, the Development Fund and the Revenue Reserve Fund shall be placed before the House in the form of demands for grants. The form the budget shall take, the details it shall give, and the number of grants into which the total vote shall be divided, shall be drawn up by the Ministry of Railways in consultation with the Standing Finance Committee for Railways.

2. This Resolution shall come into force from 1st April, 1950."

The Honourable Shri K. Santhanam (Minister of State for Transport and Railways): I may suggest that all the amendments may be moved first and then the discussion to follow may be on the amendments and the Resolution.

Mr. Chairman: But Mr. Subramaniam's amendment is for substitution of the entire Resolution.

The Honourable Shri K. Santhanam: Even that may be discussed along with the others. Only when finally putting it to vote, you may put that amendment first.

Mr. Chairman: Then all the amendments may be moved without speeches, and honourable members may speak after all the amendments are moved.

Shri C. Subramaniam (Madras: General): Sir, I beg to move:

"That for the original Resolution the following be substituted :

'This Assembly after considering the recommendations of the Committee appointed by it in April 1949 to review *inter alia*, the convention relating to the separation of railway from general finance, resolves :

(i) that the existing method of allocation of railway surplus be continued during the year 1950-51; and

(ii) that the Committee be asked to re-examine the position in the light of the existing circumstances associating itself such experts as it may consider desirable and necessary and submit its report before 30th September, 1950'."

"That in the first paragraph,—

(i) part (2) be omitted; and

(ii) for part (4) the following be substituted :

'(4) That for a period of three years commencing from 1950-51 the annual dividend shall be a sum calculated at the rate of 5 per cent. on the capital invested including the capital invested on strategic lines'."

"That in the first paragraph,—

(i) for part (2) the following be substituted :

'(2) That the railway administration be treated as a corporation for the purpose of the assessment of corporation tax and its surplus revenues after taking into account interest charges and a reasonable appropriation for its depreciation fund be taxed as such'; and

(ii) parts (3), (4), (5) and (8) be omitted and the subsequent parts be renumbered accordingly."

Shri Nandkishore Das (Orissa: General): Sir, I beg to move:

"That after part (2) of the first paragraph the following new part be inserted :

'(2A) that it shall be the endeavour of the State to utilise the Railways and its resources in encouraging agriculture, industries, training of technicians and technologists in all its workshops arranged on a regional basis, as also starting or encouraging industries complementary to State Railway activities keeping in view the ultimate elimination of its dependence on foreign purchase of its requirements'."

Shri Jaspat Roy Kapoor: Sir, I beg to move:

"That in part (4) of the first paragraph after the word 'dividend' where it occurs for the first time the following be inserted :

'and an amount equal to income tax which would have been leviable if the railway were a commercial undertaking run by a public limited company'."

"That in part (7) of the first paragraph after the words 'following purposes' a comma and the following be inserted :

'a specific sum being allotted every year for each purpose and separate accounts being maintained for the accumulated amount available for each purpose and the expenditure made therefor'."

"That in item (c) of part (7) of the first paragraph after the word 'unremunerative' the words 'at the time of construction and ten years thereafter' be added."

"That in part (9) of the first paragraph after the word 'distribution' the following be inserted :

'in such proportion as may be fixed with the approval of the Standing Finance Committee for Railways'."

[Shri Jaspat Roy Kapoor]

"That in part (10) of the first paragraph after the figures and words '23rd March 1949' the following be inserted :

'with the addition of three more members to the Standing Finance Committee for Railways'."

"That in part (11) of the first paragraph after the words 'on some date', the words 'so far as possible a fortnight' be inserted."

Shri Nandkishore Das: Sir, I may also be permitted to move all the amendments that stand in my name.

Mr. Chairman: Yes.

Shri Nandkishore Das: Sir, I beg to move:

"That in part (4) of the first paragraph for the figure and words '4 per cent' the figure and words '6 per cent' be substituted."

"That in part (4) of the first paragarph the following be omitted :

'provided that no dividend shall be payable on the capital invested out of general revenues in unremunerative strategic lines'."

"That after item (c) of part (7) of the first paragraph the following new item be added :

'(d) reduction in fares'."

"That in part (12) of the first paragraph the words 'if possible' be omitted."

"That in part (12) of the first paragraph after the words 'separate days' the words 'not being less than five days' be inserted."

"That in part (12) of the first paragraph the following be added at the end :

'as also the Standing Finance Committee'."

Prof. Shibban Lal Saksena: Sir, I beg to move:

"That in part (4) of the first paragraph for the figure and words '4 per cent' the figure and words '3 per cent' be substituted."

"That for part (7) of the first paragraph the following new parts be substituted and the subsequent parts be re-numbered accordingly :

'(7) that the Betterment Fund shall be continued, and shall be expended solely for providing passenger amenities;

(8) that there shall be a Labour Welfare Fund and it shall be expended for labour Welfare purposes only;

(9) that there shall be a Railway Extension and Development Fund, out of which new projects shall be financed;' "

"That for part (9) of the first paragraph the following be substituted :

'(9) that the Railway Surplus shall be distributed in the following proportions :

(1) 20 per cent. to the Revenue Reserve Fund, until the Reserve Fund is equal to 20 per cent. of the capital invested, when further contribution to it shall cease except upto the amount necessary to keep it at that level,

(2) 20 per cent. to the Betterment Fund,

(3) 10 per cent. to the Labour Welfare Fund, and

(4) 20 per cent. to the Depreciation Fund until the Fund is equal to 20 per cent of the total cost of the Rolling Stock'."

Sjt. Kuladhar Chaliha (Assam: General): Sir, I beg to move:

"That in part (4) of the first paragraph the following be added at the end :

'For the first ten years after the opening of the lines after which their profit and loss will be carried to the general pool'."

Shri O. V. Alagesan (Madras: General): Sir, I beg to move:

"That in part (7) of the first paragraph item (a) be omitted, and the existing items (b) and (c) be re-lettered as items (a) and (b) respectively."

"That after part (7) of the first paragraph the following new part be inserted :

'(7A) That the existing Betterment Fund be continued and expended solely for providing passenger amenities and such sums be added to this fund from year to year for the above purpose;' "

"That in part (9) of the first paragraph after the words 'the Development Fund' the words 'the Betterment Fund' be inserted."

"That in part (12) of the first paragraph after the words 'the Development Fund' the words 'the Betterment Fund' be inserted."

Shri Sita Ram S. Jajoo (Madhya Bharat): Sir, I beg to move:

"That after item (a) of part (7) of the first paragraph the following be inserted :

'provided that priority shall be given to areas where insufficient attention has been so far paid as regards the provisions of passenger amenities in order to bring them on level with other areas'."

Mr. Chairman: Amendments moved:

"That for the original Resolution the following be substituted :

'This Assembly after considering the recommendations of the Committee appointed by it in April 1949 to review *inter alia*, the convention relating to the separation of railway from general finance, resolves :

(i) that the existing method of allocation of railway surplus be continued during the year 195051; and

(ii) that the Committee be asked to re-examine the position in the light of the existing circumstances associating itself such experts as it may consider desirable and necessary and submit its report before 30th September, 1950.' "

"That in the first paragraph,—

(i) part (2) be omitted; and

(iii) for part (4) the following be substituted :

'(4) That for a period of three years commencing from 1950-51 the annual dividend shall be a sum calculated at the rate of 5 per cent. on the capital invested including the capital invested on strategic lines'."

"That in the first paragraph,—

(i) for part (2) the following be substituted :

'(2) That the railway administration be treated as a corporation for the purpose of the assessment of corporation tax and its surplus revenues after taking into account interest charges and a reasonable appropriation for its depreciation fund be taxed as such'; and

(ii) parts (3), (4), (5) and (8) be omitted and the subsequent parts be re-numbered accordingly."

"That after part (2) of the first paragraph the following new part be inserted :

'(2A) that it shall be the endeavour of the State to utilise the Railways and its resources in encouraging agriculture, industries, training of technicians and technologists in all its workshops arranged on a regional basis, as also starting or encouraging industries complementary to State Railway activities keeping in view the ultimate elimination of its dependence on foreign purchase of its requirements'."

"That in part (4) of the first paragraph after the word 'dividend' where it occurs for the first time the following be inserted :

'and an amount equal to income tax which would have been leviable if the railway were a commercial undertaking run by a public limited company'."

[Mr. Chairman]

"That in part (4) of the first paragraph for the figure and words '4 per cent.' the figure and words '6 per cent.' be substituted."

"That in part (4) of the first paragraph the following be omitted :

'provided that no dividend shall be payable on the capital invested out of general revenues in unremunerative strategic lines'."

"That in part (4) of the first paragraph for the figure and words '4 per cent' the figure and words '3 per cent' be substituted."

"That in part (4) of the first paragraph the following be added at the end :

'For the first ten years after the opening of the lines after which their profit and loss will be carried to the general pool'."

"That for part (7) of the first paragraph the following new parts be substituted and the subsequent parts be re-numbered accordingly :

'(7) that the Betterment Fund shall be continued, and shall be expended solely for providing passenger amenities;

(8) that there shall be a Labour Welfare Fund and it shall be expended for labour Welfare purposes only;

(9) that there shall be a Railway Extension and Development Fund, out of which new projects shall be financed;'"

"That in part (7) of the first paragraph after the words 'following purposes' a comma and the following be inserted :

'a specific sum being allotted every year for each purpose and separate accounts being maintained for the accumulated amount available for each purpose and the expenditure made therefor'."

"That in part (7) of the first paragraph item (a) be omitted, and the existing items (b) and (c) be re-lettered as items (a) and (b) respectively."

"That after item (a) of part (7) of the first paragraph the following be inserted :

'provided that priority shall be given to areas where insufficient attention has been so far paid as regards the provisions of passenger amenities in order to bring them on level with areas'."

"That in item (c) of part (7) of the first paragraph after the word 'unremunerative' the words 'at the time of construction and ten years thereafter' be added."

"That after item (c) of part (7) of the first paragraph the following new item be added :

'(d) reduction in fares'."

"That after part (7) of the first paragraph the following new part be inserted :

'(7A) That the existing Betterment Fund be continued and expended solely for providing passenger amenities and such sums be added to this fund from year to year for the above purpose;'"

"That for part (9) of the first paragraph the following be substituted :

'(9) that the Railway Surplus shall be distributed in the following proportions :

(1) 20 per cent. to the Revenue Reserve Fund, until the Reserve Fund is equal to 20 per cent. of the capital invested, when further contribution to it shall cease except upto the amount necessary to keep it at that level,

(2) 20 per cent. to the Betterment Fund,

(3) 10 per cent. to the Labour Welfare Fund, and

(4) 20 per cent. to the Depreciation Fund until the Fund is equal to 20 per cent of the total cost of the Rolling Stock'."

"That in part (9) of the first paragraph after the word 'distribution' the following be inserted :

'in such proportion as may be fixed with the approval of the Standing Finance Committee for Railways'."

"That in part (9) of the first paragraph after the words 'the Development Fund' the words 'the Betterment Fund' be inserted."

"That in part (10) of the first paragraph after the figures and words '23rd March 1906' the following be inserted :

'with the addition of three more members to the Standing Finance Committee for Railways'."

"That in part (11) of the first paragraph after the words 'on some date', the words 'so far as possible a fortnight' be inserted"

"That in part (12) of the first paragraph the words 'if possible' be omitted."

"That in part (12) of the first paragraph after the words 'separate days' the words 'not being less than five days' be inserted."

"That in part (12) of the first paragraph after the words 'the Development Fund' the words 'the Betterment Fund' be inserted."

"That in part (12) of the first paragraph the following be added at the end :

'as also the Standing Finance Committee'."

Shri R. K. Sidhva (C. P. and Berar: General): What is the time allowed for hon. Members' speeches?

Mr. Chairman: I leave it to the Members themselves; but I would request them to be as brief as possible.

Shri C. Subramaniam: Sir, in moving my amendment I am aware that the scales are too heavily weighted against me, in view of the fact that hon. Matthai, the Finance Minister, who is the guardian of the general revenues of the country, was associated with this Committee and he has also appended his signature to the report. But in my view he was acting under a disadvantage. Previous to the present Minister for Railways he was the Minister in charge of the Railways. I do not know whether he was able to release himself from all the old prejudices and attachments in favour of the Railways. It is for the House to judge.

In moving this amendment it is my intention, Sir, to place before the House the other side of the picture—whether this convention, this resolution, if it is adopted will be in the general interest of the country at this juncture. Before I make my points on my amendment I wish to mention one or two facts over which, in my view, there cannot be any disagreement.

The Railways are now considered to be the sole property of the general tax payer and the general tax payer is considered to be the sole share-holder. So, whatever profits accrue from the working of the railways belong to the general tax payer. The same is the case with regard to the general revenues. It is his property and it has to be utilised for his benefit. Therefore, if we take something from the railway finance and utilise it for the purpose for which general revenues are used, it is not as if we are defrauding the general tax-payer in any sense. What is his property in one department is taken and utilised for his own benefit in another department—that is all. Therefore if we view this problem of railway finance and general finance in its proper perspective, there is no question of conflict between one section of the community and another section of the community. In both the person involved is the general tax-payer. From that angle, Sir, I wish to approach this problem and place before the House the disadvantages of adopting this resolution at the present juncture. In my view, Sir, the time is not propitious to undertake the complete separation of Railway Finance from the general finance. We are passing through a general financial crisis: that is admitted. That

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being so, there should be co-ordinated action among all the departments of Government. After all Railways also are part of the Government. It is an undertaking by the Government. Whatever policy is adopted by the Railway Department is likely to have its repercussion on the general problem of the country.

Mr. Chairman: The hon. Member may continue his speech after lunch. The House stands adjourned till Half Past Two of the Clock.

The Assembly then adjourned for Lunch Till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

Mr. Speaker: Before hon. Members start the debate over this Resolution, I might just invite the attention to the time-limit rule. This is an ordinary Resolution and 15 minutes time is the time-limit.

Shri C. Subramaniam: Sir, in view of the fact that mine is a comprehensive amendment, I would like to have a little more time.

Mr. Speaker: Unfortunately, I should not be induced to give more time, particularly in view of the fact that we want also to close the session in time.

Shri C. Subramaniam: Mr. Speaker, Sir, when we rose for lunch, I was mentioning that we are passing through a period of financial crisis and that co-ordinated action between the various Departments and the Government is absolutely necessary. The object of the convention as formulated by this Resolution, Sir, has been given by a review submitted by Mr. A. K. Chanda, the Financial Commissioner for Railways. In paragraph 21 this is what he says:

"A convention such as suggested will release the railways from the detailed control now exercised in the matter of allocation of expenditure, basis of contribution to the Depreciation Fund, the financing of un-remunerative developmental projects and other ancillary adjustments. The railway undertaking will thus be able to pursue a progressive policy because it will have a policy of its own and build up adequate resources etc."

Therefore, Sir, if we pass this Resolution, the detailed control which we are now having will be released and will it be in the best interests of the nation that that control should be released at this stage? Sir, in view of this crisis, I have suggested that at the present juncture, it should be postponed. After all, it might be that the Railways might require contributions from the general revenues or the general revenues might require contribution from the railway surplus funds. I am not on that point, but during this period, it is necessary that the allocation of revenues should be made according to the needs of each, according to the needs of the railway revenues and according to the needs of the general revenue. After all, there are ever so many development projects which we have cut down, because we want to economize. Why should the Railway alone be given a free hand to pursue its own policy? There are very many important projects which we have given up, because we now feel that we should cut our coat according to the cloth. Sir, the passing of this Resolution, in my view, will release the entire control which we are having on the programme of the Railways. That is my first point.

Shri R. K. Sidhva: Will not the Budget come before you?

Shri C. Subramaniam: Yes, Sir. I know it will come before the Assembly. Even if you cut down the Budget, even if you say that those amounts should not be spent, if you pass this Resolution you cannot say that any amount

should be handed over to general revenue account and by this Resolution we are committed to take only 4 per cent. and nothing more. Whatever funds may be available in the railway finance, even if you cut down the programmes, you won't be able to get the sums which might be lying idle in the Railway Department.

The second objection, Sir, for passing this Resolution at this juncture is the matter which is dealt with in paragraph 11 of the Report.

"In view of the conclusions reached and the impending integration of the States Units with the Indian Railways without any payment to the Block account will not in future represent the loan liability of the railways. Accordingly, we suggest that two separate accounts, a block account and a loan account should be maintained hereafter."

We are taking over the States Railways and they are going to be amalgamated with the Indian Railways, and Sir, we are taking over railways whose assets are valued at about Rs. 50 crores. Out of this about 2·20 crores are in the way of cash which is to be utilised for laying railways in the Madhyabharat region. Therefore, when we are taking over this 50 crores worth of assets, the General Revenues also will be incurring a responsibility because of the provisions we have made in the Constitution Act. I am referring to article 278 in the Constitution Act, sub-clause (1) clause (b):

"That grant of any financial assistance by the Government of India to such State in consequence of the loss of any revenue which that State used to derive from any tax or duty leviable under this Constitution by the Government of India or from any other sources."

The States were receiving to the tune of Rs. 3·85 crores from the Railways, all the States put together, and we are taking the entire railways. In order to compensate that, we will have to enter into agreement as laid down in article 278, in order to compensate them. What is going to be this agreement and how much the general revenues will he asked to contribute towards that fund is not at all clear at this stage. It would he known only when the agreement is concluded. Therefore, it is not possible now to say how far the general revenues would be affected, because the States Railways are being taken over and the receipts from these Railways would be taken over by the Indian Railways but from the general revenues we might have to compensate the States for the loss of this revenue. That picture is not quite complete.

One other factor. I would like to mention in this connection. It is said that when we say that a four per cent. dividend should he paid, we will get 28 crores; by way of interest charges the railways were paying 22 crores. There is an extra amount of six crores or six and odd crores of rupees. Out of this amount, we should also take into account the extra receipts which the State railways, would be getting, that is 3·85 crores. So, over and above the interest charges which the railways were paying to the Government of India, they would pay only three crores more. It is only three crores which is now proposed to be paid under this resolution to the general revenues. Therefore, till we get a clear picture of our commitments with regard to the taking over of the State Railways, it is necessary that we should postpone consideration of this resolution and take it up a year later or even if it is necessary, two years later.

I wish to say a few points regarding the necessity for contribution to the General Revenues from the Railway finances. Sir, it was the Acworth Committee in 1920-21 that first recommended that there should be a fixed contribution to the General Revenues from the Railway finances. The Legislative Assembly in 1924 adopted the Convention that there should be a contribution of one per cent. and the remaining surplus should be shared by the Railways and the General Revenues in a certain proportion. In spite of the fact that a fixed contribution of one per cent. was laid down, it was further

[Shri C. Subramaniam]

provided that there should be a sharing of the surplus left over, after making provision for all the funds. In this connection, whether it is necessary that the railways should contribute to the general revenues, I would like to point out to the House the view of Sir Jeremy Raisman, who was then the Finance Member here, in the Convention Committee meeting, in 1948. This is what he has stated:

"The Honourable the Finance Member explained the origin of the decision for a fixed contribution of 1 per cent. and his reasons for agreeing to abandon it. Sir Basil Blackett was in favour of a fixed contribution from railways so as to eliminate from the general budget the disturbing effect of fluctuations in the railway budget. Sir Jeremy Raisman considered Sir Basil Blackett's ideal to be illusory. There were three possibilities, (a) the railways might do well and at the same time the general revenues might fare well; this was a normal experience: (b) railways might have bad times when general revenues too were in a bad way; this was also a normal experience; and (c) the railways might do badly while general revenues were doing well; this possibility was remote. In addition there was the war time possibility of railways doing well when the general revenues were badly off. No permanent arrangement could cater for war. Disregarding the latter, the position was that when railways could afford to make a large contribution the necessity of general revenues was not great, and when the general revenues badly needed assistance, railways could not afford it. It was therefore necessary that general revenues should share with the railways both their good fortune and their misfortune. One cannot ask for a fixed contribution both in fair weather and foul. If railways have not got any money, it is unreasonable to ask them to pay by withdrawing from the depreciation fund accumulations made for renewal of assets. Sir Basil Blackett's ideal of making general revenues independent of the fortunes of the railways was, therefore, impossible of achievement and he (Sir Jeremy) had therefore agreed to abandon the idea of a fixed contribution and to take a share of the surplus when there was one. During war particularly when the allocation of the surplus was made on a consideration of the respective needs of the railways and general revenues, there was no point in retaining the one per cent. contribution as a specific item in the division."

Therefore, it cannot be said that a fixed contribution has a cast iron case and allocated according to the needs of each, general revenues and railway finances. Have we crossed the woods to say that was no longer need the assistance of the one to the other and that it is better now to keep them on an independent footing, the railways paying only a fixed contribution to the general revenues? In this connection, I would like to read a passage from the report of the Indian Railway Enquiry Committee also. This is what they say:

"The railways are a national asset. Just as a shareholder in a company expects larger dividends in more prosperous years, the tax payer expects contributions in surplus years from the railways to the general finances."

Therefore, it cannot be said that a fixed contribution has a cast iron case and it should be accepted here and now. Nor is it such a bad thing that it should be abandoned. What I say is this: let us wait and see what the exact position is later on, so that we can adjust.

There is another thing. After all, the entire financial position of the country is going to be reviewed by a Finance Commission which is going to be appointed under the provisions of our New Constitution: I am referring to article 280. When it goes into the entire financial position of the country, it may have a larger perspective and a full picture of the resources of the country. That Commission may be able to make a better suggestion and a more reasonable suggestion as to how the sharing of the surplus should be made as between the railway finances and the general revenues.

Shri B. Das (Orissa: General): They will have no such power.

Shri C. Subramaniam: They have. I have looked into the article and it says that the President may refer any other matter. If necessary, the hon. Member may look into the provisions.

Shri B. Das: That is stretching too far.

Mr. Speaker: Let him proceed.

Shri C. Subramaniam: With regard to the calculation of the capital at charge also, my hon. friend the Minister for Railways said that it would be more profitable for the railways if a scrutiny is made. I am prepared to join issue with him in regard to this matter. You have not taken into account in your capital at charge over which you are going to pay a four per cent. dividend, the 50 crores assets which you have taken over from the States. If you say that the general tax-payer is the shareholder as far as the Indian railways are concerned, the people in the States are the shareholders in respect of those railways. The States are coming into the picture and their assets are being pooled. Simply because the States Finances Integration Committee has recommended that it is only a question of pooling the resources of one portion of India with the other, can you say that there is no question of compensation arising in this case? While you say that the railways should be run on business principles and that they should pay a dividend on the capital employed, can you say, "Take over these 50 crores and put it on the block account and it should not be included in the share capital." That is what they say in the report. They say, payment will be on the loan account and not on the block account, that the block account will be kept separate, in view of the taking over of the assets of the States railways. I therefore submit that this matter has also to be taken into consideration.

One other factor you will have to take into consideration, in view of the so-called inflationary element in the replacement of locomotives and wagons, the amount utilised for the purchase of wagons and locomotives, a portion of which has been written off under the revenue account. You will have to see whether this is justifiable. In 1945-46 when the Railway Budget was introduced, this is what the then War Transport Member said:

"When, as is happening now, particularly in the case of locomotives, due to their greater carrying capacity or tractive effort, replaces a larger number of corresponding stock, Capital receives credit for the original cost of the superfluous old units, and is debited with the cost of an equivalent capacity or tractive effort at new prices. Due to the wide disparity between the present and the original costs and the large scale of the present replacements, this procedure would involve a considerable increase in the Capital-at-Charge without a corresponding increase in aggregate capacity or tractive effort."

Therefore he said:

"The financial result of these proposals is that, whereas, under the ordinary procedure, out of the total expenditure of 94½ crores on locomotives and wagons, 16 crores would be debited to Capital and 78½ crores to the Depreciation Fund, under the revised procedure there will be a debit of about a crore to the Railway Reserve, 22 crores to the Depreciation Fund, 10½ crores to the Railway Reserve and 61½ crores to Working Expenses."

After all, the high prices were thought to be a temporary phase in 1945-46. The prices that we paid in 1945-46 were not very much higher than what we pay now if not less. Prices are trying to stabilise themselves at this level, unless there is going to be a slump, or a depression, later on. If that be so, I do not see why we should not put down the value at the price which they considered at that time was very high and a portion of it, I think, to the extent of Rs. 21 crores, should be written under the revenue account. You say you are going to separate this railway finance from the general finance and that you are going to consider yourself as a sort of company with a share capital. I ask, are you prepared to have the assets of the railways calculated at their present value and take it as the share money contributed by the general revenues? If you are not going to do that, what is the use of painting a rosy picture and saying that you are going to pay a dividend of 4 per cent? Certainly it is not proper. As a matter of fact, the currency has been devalued. Even the Banks are allowed to revalue their gold holdings when currency is devalued. We have devalued the value of the rupee in relation to the dollar and gold.

[Shri C. Subramaniam]

So, are you prepared to have the assets valued at their present value? And if you are prepared to do that, I will not even press for 4 per cent. I will be prepared to be satisfied with 3 or even 2½ per cent. If you are not prepared to do that, what is the use of your saying that you are going to run on commercial lines and painting a rosy picture before the House that you would pay 4 per cent. dividend on the entire capital? Therefore I want the hon. Minister for Railways to take a realistic view. After all, this is not an urgent matter. After all, a new Parliament is going to come into existence from the 26th January 1950 with 121 new members. Therefore, why be in a hurry? I do not submit that this House is not competent to deal with it. My whole point is, why not wait till we get a more complete picture of the finances and resources of the country before you definitely fix how much the railway finance should contribute to the general revenues?

Shri Jaspat Roy Kapoor: Sir, before I proceed to deal with the merits of the subject matter of this resolution and the various amendments of which I have given notice, I would like to express my dis-satisfaction at the fact that this subject was never referred to the Standing Finance Committee for Railways. This subject relates particularly to railway finance and I think, Sir if there was any subject which was eminently fitted for being referred to the Standing Finance Committee for Railways, it was this.

Shri R. K. Sidhva: This Committee was appointed by this House.

Shri Jaspat Roy Kapoor: My hon. friend reminds me that this Committee was appointed by this House for this purpose. Certainly it was so, but it does not seem to be any good reason or any justification why the Standing Finance Committee for Railways should not have been given a chance to consider this report and to analyse its various aspects. Nothing would have been lost thereby. The fact is that the various committees attached to Ministries are merely advisory bodies. It cannot be said that their decision would have in any way adversely affected the decision that this House may arrive at after discussing this report, or that if this resolution and this report had been placed before the Standing Finance Committee for Railways it would have been any dis-courtesy to this House. If it had been done, the Members would have discussed it in all its bearings, and may have made some very good suggestions to the hon. Minister for Railways and he may have profited thereby. May be that the hon. Minister and his gallant lieutenant Mr. Santhanam and all the wise people that compose the Railway Board think that they have nothing to gain by referring the matter to the Standing Finance Committee or Railways or for that matter, any Member of this House, but I submit, Sir, the Standing Finance Committee for Railways should be shown a little more courtesy and that every subject should be placed before them unless for any special reason it does not suit the convenience of the Minister-in-Charge of the particular portfolio.

Having said that, Sir, I now come to the report. On this report, while I think I must congratulate the hon. Minister for Railways, I think I cannot congratulate the other Members of the Committee. I congratulate the hon. Chairman of this Committee because he has been able to persuade every Member of the Committee to come round to his view and there is not one dissentient voice. Even a resisting Member like my hon. friend, Mr. Tyagi, who is not present today, even he could be persuaded to agree to every paragraph of this report, and he had to satisfy himself only by not following the Chairman and the other Members of the Committee in one respect and that was in the matter of selecting the script in which signatures should be appended, for Mr. Tyagi has appended his signature in Hindi.

Shri B. L. Sondhi (East Punjab: General): What about Mr. Sidhva?

Shri Jaspat Roy Kapoor: I am really sorry for Mr. Sidhva that even he could be persuaded and won over by hon. Mr. N. Gopalaswami Ayyangar, but the discredit for this should not go to Mr. Tyagi or Mr. Sidhva but the credit for it must go to my hon. friend, Mr. Gopalaswami Ayyangar, for I know it is very difficult for anybody not to easily agree with what he says.

Prof. Shibban Lal Saksena: You may also succumb to him.

Shri Jaspat Roy Kapoor: I may perhaps with some reluctance. Those hon. Members who formed this Committee have absolutely ignored the cause of the general revenues and there is only one point of view which has been represented in this report and that point of view is of the railway finance.

Shri R. K. Sidhva: This was done with the consent of the hon. the Finance Minister. He was present throughout the meeting.

Shri Jaspat Roy Kapoor: Then all that I can say is that both the hon. Finance Minister and the hon. Minister for Railways have conspired together to agree to something which certainly is not in the interests of the general revenues of the country. They have recommended that hereafter only a fixed divideud of 4 per cent. shall be contributed to the General Revenues. That is not a proposition which is in the interest of the General Revenues. The hon. Mr. Ayyangar suggested that while looking at this problem we
3 P.M. should consider the General Revenues as the proprietor of the Railways and as such they should he entitled to a certain fixed dividend. While I am prepared to agree with him in this, I submit that this is not the only aspect of the question. The General Revenues have two positions, one the position of shareholder and another, the position of the State. If we are to look at the Railways as a commercial concern which is expected to pay a certain reasonable amount of dividend to shareholders in return for the money which they have invested in the concern, the General Revenues of a State are also entitled to have their share of income-tax. It is on use saying that under the Constitution it is not possible for the State to levy income-tax on the Railways. It may be so but then what I have suggested in my amendment is not that regular income-tax should be levied on the surplus income of the Railways hut that the State must have an amount equal, which will come to the same thing as income-tax, if the Railways were a concern owned and managed by public limited companies. There can he no legal bar to making calculations on that basis. So my submission is that the State must have two things, one, an amount equal to the income-tax to which it would have been entitled if the Railways were run as non-State commercial concerns. Secondly it is entitled to have a certain reasonable amount by way of dividend in return for the capital which it bas invested in this business. My suggestion, therefore. is that, in addition to the 4 per cent. which has been suggested in this report. the State must have an amount equal to the income-tax.

Now let us see what the position then would be. This morning Mr. Ayyangar gave us certain figures from which I find that uptil now the Railways have contributed to General Revenues about 737 crores by way of interest and 222 crores over and above that. The total comes to about 959 crores. Now their recommendation is hereafter only 4 per cent. should be contributed to General Revenues, according to which the total amount which would have been contributed to General Revenues all these years from 1925 till now would have been only 745 crores. That would have been the effect of it if the present suggestion were considered retrospectively.

The Honourable Shri K. Santhanam: May I point out that the capital of Pakistan Railways has been deducted now and therefore formerly the interest was being paid on the capital of the Pakistan Railways also?

Shri Jaspat Roy Kapoor: Exactly that is so. What I have submitted is, if the present suggestion were to be retrospectively given effect to, that would have been the position. I do not say it may be so hereafter. It is no use saying that interest was paid on the amount which was invested in the Railways which have now gone to Pakistan. There is hardly any argument in support of the contention that hereafter we must have an entirely new basis which would in its ultimate result bring to General Revenues very much less than what it would get if the present arrangement were to continue. If my suggestion is accepted the position would be this. As stated in the report the amount of tax would have come to about 193 crores for the whole period for the whole amount invested and for the whole surplus. Calculated at 4 per cent. the dividend would have come to about 745 crores which figure was given to me this morning in answer to a question put to hon. Mr. Ayyangar. So the total would have been 988 crores. These would have been the three figures; according to the present position the General Revenues had 959 crores, at the rate of 4 per cent. the same would have been 745 crores and according to my suggestion the sum would have been 988 crores. So according to the present suggestion of having only 4 per cent. being contributed to General Revenues, the General Revenues would have lost over 214 crores. According to my suggestion the General Revenues would have lost something and the Railways would have gained something but not a huge amount. It would be a difference of only 20 crores. There seems to be no reason why, when according to the Minister the Railway should be treated as a commercial concern, why all the implications of that suggestion should not be borne in mind when we are attempting to find out as to what is the reasonable amount which should be contributed by Railways to General Revenues.

We talk very often of nationalization. Here is one concern which has been nationalized. Is it suggested that if the concerns are nationalized, the State should earn profit very much less than the profit it is receiving from the concern when it is run by private limited companies or public limited companies? We support nationalization of industries not merely for the fun of it, not merely to have the satisfaction of owning the concerns, but we want nationalization of industries firstly, so that they may be run more efficiently and the more important reason is that the State may earn the profit which goes to private individuals because they are the owners. But if we are to be told that when the industries are nationalized we shall be getting very much less than we are earning now, the whole case for nationalization is thrown to the winds. I would therefore earnestly submit to the Minister for Railways to seriously consider this aspect of the question and not to let the impression go out that if industries are nationalized, the State will lose considerably financially.

Shri B. Das: Why do you not appeal to the Trade Unions?

Shri Jaspat Roy Kapoor: My second amendment deals with part (7) of the Resolution. In part (7) of para. 1 of this Resolution it is proposed to have one consolidated development fund for financing expenditure for the following purposes: (1) Passenger amenities, (2) Labour Welfare and (3) Railway projects.

Now while I am not very anxious to have too many separate funds, I am certainly anxious that under this main head of Development Fund there should be three specified subheads one for passenger amenities, another for labour welfare and yet another for Railway Projects which are necessary but are unremunerative.

My reason is this that if we have only one consolidated fund without specific sums being earmarked for all these various purposes, the probability is that the first two objects *viz.*, passenger amenities and labour welfare, are likely

to suffer and that all that amount or at least a huge amount under the Railway Development Fund is likely always to be spent for Railway projects which may not be very remunerative. These two objects, namely Passenger Amenities and Labour Welfare are very important objects, and I am particularly anxious—and I think every Member of this House will be equally anxious—that the amounts specially ear-marked for these two items should not be allowed to be spent on objects other than these. I know there is a pretty big figure lying to the credit of the Betterment Fund—over Rs. 18 crores—and that is a tempting figure over which the eye of the hon. Railway Minister has fallen. Probably he may be thinking of spending that amount on objects other than amenities for passengers.

Shri R. K. Sidhva: It is ear-marked for this purpose.

Shri Jaspat Roy Kapoor: True. But I do not know what actually is the meaning of this ear-marking. Is it conceded that this amount shall not be touched upon for any other object? Will the sum of Rs. 3 crores which, according to the Report, are to be contributed to this Fund every year, go on accumulating from year to year, and will this sum and the Rs. 18 crores which today remain in the fund not be touched for expenditure for any other purpose?

Shri Mahavir Tyagi (U.P.: General): That was already decided. I did not sign the Report for nothing.

Shri Jaspat Roy Kapoor: Sir, all these assurances are coming from other Members of the Committee. But I would be satisfied only if such an assurance emanates from the hon. Minister of Railways.

The Honourable Shri N. Gopalaswami Ayyangar: May I tell the hon. Member that the recommendation of the Committee is that for the next five years, Rs. 3 crores shall be ear-marked each year for expenditure on passenger amenities.

Shri Jaspat Roy Kapoor: Ear-marking is all right. I want to put a specific question. If all the specified sums ear-marked from year to year are not spent, what is going to happen to that Fund? Will it be open to the Railway Administration after five years to spend all this and the other Rs. 18 crores which have accumulated so far, on other items? That is the simple question to which I want a specific answer. Many other Members are trying to answer on behalf of the Railway Minister, but I would like to have an answer from him on this question.

Shri R. K. Sidhva: We are a party to that Report.

Mr. Speaker: Order, order.

Shri Jaspat Roy Kapoor: I know other hon. Members of the Committee are anxious to take up cudgels on behalf of the Minister and it is easy for the Minister to win over by persuasiveness. Sir, a few minutes have been taken away by means of these interruptions. I hope they will not be debited to my account.

Mr. Speaker: They have also been given away, because the hon. Member need not have answered these interruptions.

Shri Jaspat Roy Kapoor: Sir, I am wiser by your instruction.

Mr. Speaker: The hon. Member has already taken twenty minutes. That also I might tell him.

Shri Jaspat Roy Kapoor: I will be finishing in a couple of minutes during which I will merely enumerate the points instead of dilating on them.

[Jaspat Roy Kapoor]

My submission is that if the answer to my question is the same as has been given by the other Members, it is not my intention to press that amendment of mine.

The other amendment of which I have given notice relates to serveral other clauses, but since my time is practically up, I do not want to dilate on that.

There is only one matter to which I would like to draw the attention of the Railway Minister and that is with regard to the composition of the Standing Finance Committee for Railways. The strength of the Standing Finance Committee for Railways is only eleven, whereas the strength of the Standing Finance Committee for General Finances is fourteen. I do not know why the Standing Committee for Railway Finances should also not be composed of fourteen members. Our experience has been that very often it is difficult to find a reasonable number of Members attending the Committee. This House is going to be composed of as many as five hundred Members after the new elections. Even earlier, after 26th January, we will have about three hundred Members regularly attending as against only two hundred Members we were having who were expected to attend Parliament up to the present time. I therefore think that it will be advisable if the strength of this Committee is increased from eleven to fourteen.

Sir, there are one or two minor things to which I need not refer as my time is up.

Prof. Shibban Lal Saksena: Sir, at the outset I wish to congratulate the hon. Minister for Railways for having brought this Resolution before the House. My amendments are really intended to give the Railway Minister more finance. I personally think that the view-point from which the matter has been approached is not the correct view-point. I had to study the history of the separation of Railway Finance from General Finance since the Mackay Report in 1907 or 1908. That Report in fact was not the first Report about Railways and their development. It had recommended that the total mileage of railways should be increased to at least 1 lakh miles. That was considered by them to be the mileage necessary for a country like India. I am sorry to find that in spite of the fact that that recommendation was made as early as in 1908, even now, after forty years, the mileage has remained almost stationary—it is 38,000 miles after deducting the mileage that has gone to Pakistan. Even that much mileage that was felt necessary in 1908 we have not been able to achieve after a lapse of forty years. Our friends have tried to treat the Railways as a kind of milch-cow. In this connection I would like to read certain portions from the Acworth Committee Report. The passage is about Prussian Railways.

The Report says:

"The question of the separation of the railway finances from the general Budget of the country has quite a long history in other countries. When Bismarck nationalised the railways in Prussia in or about 1878, the scheme as originally put forward provided for a separate railway budget. But when the scheme came to be embodied in an Act, this provision was omitted. Its absence was a constant ground of complaint by Liberal members in the Prussian Parliament. The common phrase was that the railways were treated as 'the milch-cow of the Treasury'."

Even here I think that is the psychology of my friends. They want to treat the railways as the milch-cow of the Treasury. The Report goes on:

"The Prussian bureaucrats, who appreciated the advantages of presenting an income, which in some years ran as high as 30,000,000, non-votable by Parliament, were too strong for the Prussian Liberals; and the milch-cow remained in charge of the Treasury up to the outbreak of War."

The same has been the history of other countries also where railway finances were part of general finances and those countries have generally thought it proper to separate them. My own concern is that we are not treating the railways with the importance with which they need to be treated. We have schemes for new projects like Damodar, Bhakra, Hirakud, etc. But we have seen in the last so many years that transport is a great bottleneck and unless we have sufficient transport we shall not be able to bring about development to the extent we want. I therefore think that the first priority should be given to transport. I therefore feel that whatever is earned by the Railways should be allowed to be spent by the Railways for the development of the railways. At least now we should be able to achieve a mileage of 1 lakh miles. But unfortunately there has been no increase in the mileage and we are practically at the figure at which we were in 1938.

I have suggested that a dividend of only 3 per cent. should be charged. My intention is that we should have only that much which you probably need to pay as interest. The remainder should be spent in developing railways. In fact I want that the entire amount which comes to Railways as surplus should be spent to extend the network of railways in the country because it will be a profitable concern. You will be able to have more transport and better transport. At the same time, it will be yielding income. In future years probably you can have more money for the country as a result of the improved transport. But if you want to take away all the money and starve the Railways, the result will be that you will be where you were. Sir, if you compare the figures of mileage of other countries, you will be shocked. In America, Russia and other great countries that you want to be abreast of, the railways are much more developed and the mileage is much higher than that in our country. My friend Mr. Subramaniam said we are in a difficult position today. I agree this position is there today and will be there for some more years, but we should discuss this subject not from the state of present finances but from the point of view of the future of the Railways. We should have a policy of development and that policy should have to have a very highly developed system of railways in our country which would meet our needs as a great country and also the needs of any situation that might arise in future. Therefore, we should not try to milk the railways or starve them. We should give them as much help as possible and we should measure our development by the new mileage that can be introduced. If we compare the figures of new mileage at the beginning and the way it was developed, with the present rate, it would be very interesting. In those years annually twenty or thirty crores used to be spent on building new lines, but for the past few years we have not been doing that—in fact, we have been dismantling the lines that we have. Therefore, this psychology of treating the railways as a milch cow is not a good psychology. If we have more mileage we will be in a better position. If there is, for example, a war and we have to fight some great Power we will be nowhere without a good network of railways. I, therefore, suggest that we should treat this question not from the narrow point of view of helping the general finances but from the point of view of having a well-developed transport system for the whole country. If you think of the Hirakud, Damodar and other projects as important, you should think of the development of the railways also as an important project. That is why I suggest that 3 per cent. will be a good rate of dividend. The hon. Minister told us that we have paid about Rs. 750 crores as dividend and that about Rs. 220 crores was contributed to the general finances over the past 26 years. That shows that about five or six per cent. has been the net return. Out of this if he takes, as he wants to, four per cent. for the general revenues, what will be left? That is why I say that you must take only that much which you have to pay as interest. Take no more but leave the rest for development.

Shri Jaipat Roy Kapur: You would like to apply that procedure to all nationalized industries?

Prof. N. G. Ranga (Madras: General): Then the Government will go bankrupt.

Prof. Shibban Lal Saksena: The position of the Japanese Railways was as follows:

"The position of the Japanese railways under the Act of 1909 may be summarised as follows:—

(1) The railways have a separate Capital Account.

(2) Railway profits are devoted to extensions and improvements, and may be supplemented by Government loans.

(3) The whole of the loans issued for railway purposes are charged against the railway account, and the railways pay over each year to the National Debt Consolidation Fund the money required for interest and sinking fund on these loans.

(4) Temporary advances may be made by the Treasury if required to meet railway current expenses."

So, all facilities were given to the railways with the result that after twenty years Japan became a first-rate Power.

Sir, we should not think of money spent on railways as waste. Whatever is earned by them should be spent on their development. The general finances should depend on themselves. My friend Mr. Kapoor asked whether I would like to apply the same principle to nationalised concerns generally. Certainly, I think so. When a concern is nationalised, I think it should be nationalised in the interest of that concern itself—it should not be for the sake of general revenues. General revenues should depend on taxation. (*Interruption*). I am quite prepared to give you the interest on the money you are investing. After all, if you invest so much money on the railways you will be getting a good return. If the railways have a more developed system then you will be getting a better return. My point of view is wholly different from that of my friend Mr. Kapoor. In my opinion, the maximum amount of money should be given to the Railways in order that they may develop and become a real asset fit to stand against any emergency.

My second point is that our railways should become much more paying, and therefore I want that more should be spent on the betterment of the travelling conditions. For that purpose, I say that the Betterment Fund should continue. Although my hon. friend the Minister has promised Rs. 8 crores per year, I do not think that would be sufficient. Of course, I do not say that under our present financial difficulties he should spend more on this now, but at least for the future more money should be spent for improving the facilities for the travelling public. The conditions today are very bad. If you see the conditions in our trains, you will find it is something which is not tolerable. I hope provision will be made to improve these facilities.

Then I have suggested in my amendment that there should be a separate Labour Fund whereby some money will be set apart for the welfare of the workers. Sir, ultimately our transport system and its efficiency will depend upon the willingness of the workers to work and their efficiency. The labour factor should not be ignored; the maximum attention should be paid to it. It is important that the Labour Fund should be separate. However, if my hon. friend Mr. Tyagi's belief is correct that the Minister intends to have some money set apart for Labour Welfare, then I would not press my amendment.

My another suggestion is that there should be a sufficiently big Depreciation Fund. I was surprised to see in the report that there are only 74 crores left in the Fund and as we are spending at the rate of 30 crores a year the Fund would be exhausted soon. The Fund should be there sufficient to meet the charges for renewals and repairs to stock, which may be necessary. I must

be run in a manner as efficiently as a limited company might be run. You must not try to spend from your assets and then say that you have nothing left for depreciation. The railway finances should be run in such a manner that the Depreciations Fund is sufficient to meet all the expenses of wear and tear of the stock.

Sir, I have disposed of most of my amendments. The remaining ones deal with new mileage and development on which I have already spoken. If that is implemented in a planned manner of development we shall, in the foreseeable future, be having a much better network of railways of which we may be proud and our country will be the better for it.

Shri Nandkishore Das: Sir, I don't propose to take much of the time of the House by making a long speech. I would, however, like to make a few observations on the points contained in my amendment. Before doing so, I would like to congratulate the hon. Mover of the Resolution and his colleagues in the Railway Convention Committee appointed by this House in April last, for their placing on record their recognition of the fact that the general tax-payer in the country is the owner and sole proprietor of the railway undertakings. This happy feature of the Resolution, I am sure, will commend itself to the unanimous acceptance of the House. Railways in India, as everybody knows to his cost, were originally intouded and administered primarily, if not solely, for the benefit of the British trade and industry and for the easy marketing of the agricultural produce of the British Empire and Dominion countries by providing cheap freight charges and priority concessions. Today the Railways have become our own national concern and as such Indian industry and agriculture should receive every assistance at the hands of the Railway Administration. The convention that is sought to be established through this Resolution is, I am sorry to say, altogether silent on this point. The report of the Committee appears to me to have ignored these considerations and has confined itself only to the financial aspect of the railway undertaking. The general tax-payer of the country, who is the sole owner and shareholder in the concern, will not be satisfied with only a dividend. He must have his agriculture and industry established on a firm footing through the assistance of the Railways. The Railways should therefore have workshops spread over the entire length and breadth of the country on a regional basis in order to provide technical training to the people.

The next point to consider is whether the Railways should be treated as a commercial concern or as a public utility concern. If it is to be treated as a commercial concern, why should you have only 4 per cent. interest and why this contribution to the General Revenues? During the days of company-management, the companies were guaranteed 5 per cent. or 4½ per cent. by the British Government. They also got the land free. These British railway assets were purchased by the Reserve Bank of India and we have a responsibility to pay to the Reserve Bank the same rate of interest.

Again, the Dividend Limitation Act provides for a minimum of 6 per cent. to shareholders, although efficiently managed companies like Tatas were paying a fat dividend to shareholders in addition to paying good wages to their labour and offering iron and steel at prices lower than world prices. Why should the Railways be bound to give only 4 per cent It should give 6 per cent. dividend. And then, in case they are not prepared to give more than 4 per cent. they need not exclude the unremunerative strategic lines from consideration.

Coming to amendment No. 19, in part (12) of paragraph 1 it is stated that the Railway Budget shall be presented, if possible, in advance of the General Budget. I do not understand the necessity for the words "if possible". Hitherto, the practice has been that the Railway Budget is presented

[Shri Nandkishore Das.]

at least a fortnight in advance of the General Budget. Why should this practice be made subject to the possibility of the Railway Budget being presented after the General Budget?

Coming to amendment No. 20, I propose that a minimum of five days should be allotted for the discussion of the Railway Budget. If I remember aright, we had only two days on the last occasion for the general discussion of the Railway Budget. Up till now, although the Constituent Assembly consisted of more than 300 Members the total strength of the House was only about 200, due to the fact that the Provincial M.L.As. were not attending it. After the inauguration of the new Constitution, we will have a House of 500 Members. In other words, in the place of 200 Members we shall have 500 Members and in such a situation an allotment of five days for general discussion of the Railway Budget will not be too much.

Sjt. Kuladhar Chaliha: I think we had six days.

Shri Nandkishore Das: We had six days including voting on demands. For the general discussion, we had only two days last year.

Coming to my last amendment, I want that along with the Standing Finance Committee for Railways, the Standing Finance Committee attached to the Ministry of Finance should also be consulted in the matter.

These are the observations which I wanted to make.

Sjt. Kuladhar Chaliha: I find a certain amount of difficulty in accepting the fundamental principles of this Resolution. First of all, the whole thing emanates from the idea that it is a limited concern and that the tax-payers are shareholders and we should pay them dividend for the financial investment. I submit that this is a very wrong basis on which to proceed. The idea should be to treat it as a public utility concern and render as much service to the people of the country as possible. Instead, we are taking 4 per cent of it to the general revenues. From the Railway Report we find that we have already contributed about Rs. 221 crores to the General Revenues. In addition, we have got a Depreciation Fund which is not to be found in advanced countries in the world. Such a thing is practically unknown in Germany and Japan. Some of the Railways in Europe have only contributed 7 per cent. of the gross earnings and others have not been able even to do that. In Great Britain, I understand, the Railways hardly contribute to that extent. In South America, Australia and U.S.A., Railways are not able to make even this contribution. Before the recent legislation, the practice in England was to allow for heavy equipment and renewals and no further. As such, by increasing the Depreciation Fund on a scale which does not obtain elsewhere, we have created an unnatural, artificial deficit, which comes to a great amount.

My submission is that we should not contribute 4 per cent. as annual dividend. The Railways should be run on a 'no profit no loss' basis. As my hon. friend Prof. Shibban Lal Saksena pointed out, India has only 36,000 miles of railways. If we take away 4 per cent. towards the dividend, I fail to see how we could make any progress in the direction of extending the lines. This Resolution, though framed in the best interest of the people, has lost sight of the fact that the railways are a public utility concern and are looked upon as a money making affair. I disagree with the Resolution on this fundamental principle. I wish the Members of the Committee on Convention who have sponsored this Resolution had considered it from that point of view. Unless and until we can conceive it in that spirit, I do not think any real progress is possible in our country. My submission is that the hon. Minister will look into the matter from that angle.

For the first ten years the Railways should not be asked to make any contribution either to the General Revenues or towards the dividend, because we want that money to be diverted for providing more convenience for the passengers and also for the extension of the lines. We want our food and other necessities to be transported quickly; we want our capital goods to be carried quickly. For example, in Assam they have constructed a line at a cost of Rs. 8 crores and we must congratulate the Minister of Railways and others who are responsible for it, because it has given us a link with India. I was, however, told by some of my friends on the Government Benches that we would not be able to carry as much goods as we would have wished: all the same, it gives us a direct connection with India.

I have tabled an amendment to part (4) of paragraph 1 to the effect that in the case of unremunerative strategic lines no dividend will be payable on the capital invested for the first ten years after the opening of the lines, after which their profit and loss will be carried to the general pool. As far as I know the only unremunerative line is on the North Western Frontier Railway which has gone out of India and the Assam Railway line up to Ledo and Digboi is a paying proposition.

Shri B. Das: What about the interest charges?

Sjt. Kuladhar Chaliha: I am glad my hon. friend who was a member of the Committee on the Revision of Convention has raised this point. I have no objection to your paying off the loan. But I believe it is a wrong principle to pay off dividends without paying the loan. I think no limited company would have allowed you to pay dividend without paying off the loan. I would request Government to follow this salutary principle. With these words, Sir, I commend my amendment to the acceptance of the House.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Shri S. V. Krishnamoorthy Rao (one of the Panel of Chairmen).*]

Shri O. V. Alagesan: Sir, I support the resolution before the House except in one respect. Especially, I should like to congratulate the hon. Minister of Railways on his having hit upon a clever device for financing unremunerative lines. Sir, the practice of taking up these works only when a certain minimum is assured, is an obsolete conception. The present practice of insisting upon Provincial Governments and local authorities to guarantee the losses, if any, is also an outmoded one. According to the Resolution, there will be no difficulty in financing unremunerative lines hereafter. The capital expenditure, to the extent to which it will not be paying, will be debited to the Development Fund. Sir, in this connection I may say that even in the Madras Province the practice of insisting on a certain minimum of return for irrigation works has been given up for good. They are now taking up irrigation works even though they may not bring the required percentage of return. I am glad that a similar practice is going to be followed with regard to the construction of unremunerative lines.

Shri C. Subramaniam: What happens when it becomes remunerative later on?

Shri O. V. Alagesan: As soon as it becomes remunerative the General Revenues will have their share, I think. Already the Minister of Railways has laid down a healthy rule. I understand that Provincial Governments will not be asked to give guarantee for main lines even though they may not be paying. Now the principle is extended a little further and all unremunerative lines, whether main or branch, will be brought under this principle. My main objection to this Resolution is only with regard to the Betterment Fund. Sir, it is a matter of common observance that when two rich men quarrel the poor man

[Shri O. V. Alagesan]

in between suffers. Similarly, it is curious that when they compose their differences and agree, then also the poor man suffers. Some time back the hon. the Finance Minister and the hon. the Railway Minister quarrelled over the surplus. The result was that the Betterment Fund was left with a meagre allotment.

The Honourable Shri N. Gopalaswami Ayyangar: No chance of that now.

Shri O. V. Alagesan: When they compose their quarrels and when they are one, the identity of the Betterment Fund itself is lost; that is the danger now.

Shri R. K. Sidhva: That is said.

An Honourable Member: It is ear-marked.

Shri O. V. Alagesan: Yes, I know. Sir, the history of this fund, it will be better to recall here. The Standing Finance Committee for Railways in 1945 recommended that such a fund should be created for providing amenities to lower class passengers and the Government accepted it in the year 1946. That acceptance represented the prick of conscience on the part of the Government for the neglect of and the injustice done to the lower class passengers both in the past and in the present. That is how the fund was created and an amount of Rs. twelve crores was transferred from the reserve to this fund. Also in the same year a sum of Rs. three crores was appropriated to this fund. So it was a fund to begin with of Rs. 15 crores, but when that fund was created, of course, it was said that it will be utilised not only on amenities to passengers but also on works connected with staff welfare and unremunerative operating improvements costing not more than Rs. three lakhs, but actually the fund was not put to any use. Sir, about this, I complained during the debate on the Railway Budget in 1948 and pleaded that this fund, if not wholly, at least mostly, should be used for providing passenger amenities. The hon. Dr. John Matthai, the then Railway Minister, promised that he would see to it that primarily it will be used for passenger amenities, and then the present Railway Minister, during his last year's Budget speech gave us a clear picture of this Betterment Fund. He has shown a very good grasp of the purposes for which this fund was created, but to which it was not diverted, and he said as follows:

"In the course of the Budget debate during February 1948, the House took exception and I consider rightly to this fund being used for financing expenditure other than relating to passenger amenities. Dr. Matthai then assured the House that its wishes would be respected in the future."

Again, Sir, he said:

"The history of this fund must be somewhat disappointing to hon. Members as it is to me. Out of a total expenditure on works from the funds since its inception, namely, Rs. 98 lakhs, the amount that has been spent on passenger amenities proper was only Rs. 13 lakhs up to the end of 1947-48."

Again, Sir, he stated:

"I can find excuses for these shortages but cannot disguise from myself or the House the feeling that more should be done in this direction."

Not only that, Sir. Because of his right grasp of the question, he ordered that about Rs. 27 crores of expenditure incurred on heads other than passenger amenities should be written back to the credit of this fund and he promised that he would see to it that at least Rs. 1½ crores is spent on passenger amenities during the current year. I was anxious to hear from him during his speech what amount has been actually spent in this direction. I hope he would give the figure when he replies to the debate.

Sir, we should like to examine this question of surplus over which there is so much of controversy. What is, after all, this surplus? It represents that

more money was taken from people for less amenities, from people who cannot bear to pay the high fares that are being charged, or it can be put in another way. We have not provided proper amenities for the money that we are taking from them and so there is a surplus. The hon. Railway Minister was saying that the huge surpluses and the allotments made to the general revenues during the war years should have been debited to the capital account. Sir, they represent something like the Sterling balances. The House knows that the Sterling balances were accumulated by the sweat and suffering of this country. Similarly these huge surpluses were accumulated by the Railway, not out of any special attraction that they provided, but under sub-human conditions of travel. It is no use speaking as if those surpluses have been earned by the Railways in a proper and righteous manner after providing service to the public equal to the payment made by them.

Sir, much is made of the fact that the Resolution provides for an expenditure of Rs. three crores every year under this head. But having regard to the past history, having regard to the callous way in which this fund was not utilised, I do not very much hope that it will be fully utilised in future. At least now there is a fund which can be drawn upon when there is a mind as it has been drawn upon during the current year to a certain extent, at the instigation and insistence, and perhaps goading of the hon. Railway Minister. If the whole fund is lost and if it is merged into the Development fund, I am sure that this side will not be looked at all, because the administrations are generally averse to spending anything on passenger amenities. I do not know why it is so.

Reference was made to the report of the Financial Commissioner for Railways. I see there that this subject is not even so much as mentioned. A passing reference is made and that is the attention which is bestowed on this very important subject by the authorities concerned. Now there is wailing and weeping that the Railway Reserve is only left with Rs. six crores and the depreciation fund is left only with Rs. 74 crores and another Rs. 75 crores should be added to it. But nobody says anything about the fact that nothing has been spent out of the Betterment Fund. The fact that there is a fund of Rs. 15 crores seems to offer the biggest temptation and it seems to be the only source which is being looked upon with covetous eyes, I should say. I do not think that any great difficulty will be caused by having a separate fund. The Railway officials are clever enough to keep a separate head of account and manage this fund. It can be done and if the promise is there, not only Rs. three crores but even more can be spent. The whole amount should have been by now spent and this amount which has been gathered for us by the previous Government is proposed to be spent during the course of five years and no contribution is proposed to be made to this fund during this period. That should be noted. It is better that this fund is kept separately and yearly allotments are made to this fund and expenditure incurred on the sole purpose of providing passenger amenities. I do not think it will be difficult for the hon. Minister of Railways to accept this suggestion. If he is afraid that the hon. Finance Minister will take away this amount if it is kept as a separate fund, he can utilise it himself; he can take a loan out of it and utilise it for his other projects, namely, construction of new lines, unremunerative lines, etc. There will be no difficulty in keeping this fund intact and I would request the hon. Minister of Railways to accept my amendment though the whip is otherwise. This will not cause him any great difficulty and he will be making good his promise right now instead of asking us to wait for a period of five years and see whether anything is done in this respect or not. He has himself pointed out that only thirteen lakhs of Rupees have been spent from this fund. That only shows that though the fund has been there in name, it has never been put to the use for which it was intended. That is all the more reason why that fund should not be lost as a result of this Resolution. That fund should be kept intact and spent properly.

4 P.M.

Shri Sita Ram S. Jajoo: Sir, my amendment is a very simple and self-explanatory one, though on the face of it it may look a little selfish that I should demand this special priority for areas which are considered backward so far as passenger amenities are concerned.

An Honourable Member: You are the latest acquisition.

Shri Sita Ram S. Jajoo: Yes; we are the latest; but we are backward so far as amenities are concerned.

Shri M. Tirumala Rao (Madras: General): You are entitled, that is what I am saying.

Shri Sita Ram S. Jajoo: Thank you for your consideration. It is not a question of concession; it is a matter of right that I demand.

At the time of the Railway Budget discussion last year, we had discussed this question that the passenger amenities were very badly in need of improvement. Now, when we are discussing the convention which we are going to adopt, that is, the revised convention relating to the separation of Railway from General Finance. Hence this important question arises as to how you are going to utilise this Betterment Fund. Even when you recommend that the Betterment Fund be merged with the Development Fund, you have felt that passenger amenities had never been provided according to the needs of the passengers. Even in his budget speech, the hon. Minister of Railways confessed that the Betterment Fund was never utilised fully. I want to ask only one question: why have these funds been accumulated? When they are going to be transferred to the Development Fund, my fears are that for financing railway projects which are unremunerative, the whole fund will go to that. Of course, you have made a provision that three crores of rupees will be earmarked yearly for a period of five years for passenger amenities. I beg to submit, there are areas which are very backward, where we can say there are no passenger amenities. Even at a railway station like Indore, which is one of the best stations on the meter gauge from the point of view of income, there are no amenities. In the first and second class waiting rooms, there is no furniture. If you complain to the authorities, they say, on account of the revision of the second class fares, they are over-crowded. You do not find even cots. There are no taps in the bath rooms. On some railway stations there are taps; but there is no water. The taps are opened five minutes before the arrival of the trains, but they are closed even before the engine shunts off from the station.

Ch. Ranbir Singh (East Punjab: General): Think of the third class passengers; they are also taxpayers.

Shri Sita Ram S. Jajoo: So far as third class passengers are concerned, there are no waiting rooms; if there are waiting rooms, there is no shed over them and they are not protected from the sun and the rains. There are no benches in these waiting rooms. The third class passenger is the worst sufferer. You have got enough money; but you have not the will to improve these amenities. Why should people suffer in spite of your having huge funds? My area is particularly unfortunate. For the first time, the hon. Minister of State for Railways, Shri K. Santhanam visited my area and he must have seen with his own eyes the conditions obtaining there. *(An hon. Member:* Then you should wait for some time.) Certainly, I will wait but will have another opportunity at the time of the Railway Budget to bring forward our complaints, if any.

There is another important aspect. After the financial integration of the States with the Central finances, you have taken all the railways from the Indian States; you have also taken the reserves from them. In some cases, these Indian States had given loans for which they were entitled to get interest. These assets have also been taken without any compensation. I do not grudge that. I only want to say that where loans have been made from the States, at least a fair share out of the dividend should be given to these Indian States in the backward areas to provide passenger amenities. The third class passengers are the worst sufferers; especially, the third class coaches in the B.B. & C.I. metre gauge are in such a miserably bad condition that less we say the better it is. The conditions are fast deteriorating and are going from bad to worse particularly in Madhya Bharat and Rajasthan regions. I want that priority should be given to these areas where insufficient attention has so far been paid, till they come on a par with other areas. With these words, Sir, I hope the hon. the Railway Minister will look into these matters and accept my amendment.

Pandit Hirday Nath Kunzru: Sir, I fear I cannot congratulate the hon. Minister of Railways on the Resolution that he has placed before the House. He has gained nothing by insisting on the appointment of the Railway Convention Committee in April last. Before I deal with the Resolution that is before the House, I should like to ask the hon. Minister whether the Resolution which is to come into force on the 1st April 1950, when the States Railways, that is, the railways belonging to what are known as the Indian States, will become the property of the Government of India, deals only with the Railways now owned by the Government of India or whether it deals also with the Indian States Railways that it will control from the 1st April 1950. May I have an answer from the hon. Minister to that question?

The Honourable Shri N. Gopalaswami Ayyangar: The general principles underlying the Resolution will apply to the Indian States Railways that will be taken over by us.

Pandit Hirday Nath Kunzru: The Indian Railway Enquiry Committee recommended that the railway surplus should continue to be divided between the Railways and the General revenues in an *ad hoc* manner as is done now and this arrangement, it thought, should continue for five years and thereafter when prices stabilise, a Committee should be appointed to lay down the principles on which the surplus should be apportioned between the Railways and the General revenues. The Resolution that is now before us, although seeming to lay down general principles and to stabilise the position for five years, really does not take into account the situation with which the railways are faced. The Resolution says that for a period of five years, commencing from 1950-51, the annual dividend shall be a sum calculated at the rate of 4 per cent. on the capital invested, provided that no dividend shall be payable on the capital invested out of General revenues in unremunerative strategic lines. The Railway Convention that was adopted by the Assembly in September 1924 laid down that the contribution of the Railways to the General revenues shall be one per cent. of the capital at charge of the commercial lines, excluding the capital raised by the Indian States and the Railway Companies *plus* a share in the surplus remaining after the payment of this charge calculated in ways prescribed in the Resolution passed in 1924. Now, the Resolution says that the Railways shall pay a dividend of 4 per cent. on the capital at charge. When the interest paid on that capital at charge amounts to 3·2 per cent. the General revenues will receive ·8 per cent. on the capital at charge. The Railway Convention of 1924 laid down that from the contribution made by the Railways the State shall pay the interest on

[Pandit Hirday Nath Kunzru]

the capital invested on and the loss in the working of the strategic lines. There are hardly any strategic railways now. We may therefore take it that the reduced percentage that will have to be paid to the general revenues on the capital at charge will yield very much the same result as the previous percentage did. Considering the fact that the capital at charge on the 1st April 1950 will be a little over Rs. 720 crores, the General revenues will receive between Rs. 5½ and 6 crores annually. The result of the formula recommended by the Convention Committee does precisely the same as the Convention that was in force from September 1924 up to 1943.

I shall now consider the provision recommended by the Resolution for the contribution to be made to the Railway Depreciation Fund. The Committee has recommended that this contribution should amount to Rs. 15 crores annually for five years and the present formula is that the contribution should amount to about Rs. 12 crores at the end of this year. As we are going to take over the State Railways, we have to consider what contributions should be made on their account to the Depreciation Fund. Now, I find that the total capital invested in State lines worked by the States amounts to Rs. 52½ crores, and the capital invested in the State lines worked by the Indian Railways amounts, so far as I remember, to Rs. 5½ crores. It is therefore clear that an additional contribution of about a crore will have to be made to the Railway Depreciation Fund. The Railways have therefore to pay annually a sum of Rs. 13 crores at least into the Depreciation Fund. The Railway Convention Committee has proposed that the contribution should amount to Rs. 15 crores as against Rs. 22 crores recommended by the Indian Railway Enquiry Committee.

My hon. friend the Minister of Railways can say that the railway earnings will not allow the Railways to make so large a contribution to the Depreciation Fund but this again means that the Committee's recommendations leave the position in respect of the contribution to the Depreciation Fund much as it is now. The Committee considered what contribution should be made to the General revenues. That was the governing consideration and after deciding what that contribution should be, it made proposals for the contributions to be made to the Depreciation Fund and to the other funds mentioned in the Resolution. I do not blame the Committee for not having made more satisfactory recommendations. The prices not having stabilized, it was not in the power of any Committee to lay down a formula that would have been more satisfactory from the point of view both of the Railways and the State than the Convention of September 1924 that was abrogated in 1943. I grant that the resolution before us is a little more favourable to the Railways than the Convention was but then it was abrogated in 1943. The Report of the Railway Convention Committee points out that apart from the sum of Rs. 15 crores that will be put into the Railway Depreciation Reserve Fund, the Railways could draw upon the accumulated balance of that fund which amounts at present to about Rs. 74 crores. The Committee seems to have contemplated, and the Minister also said, that this Fund would be drawn upon to the extent of about Rs. ten crores annually. The Fund would thus be depleted by about Rs. 50 crores in five years. It is true that a balance of 25 crores will still remain in the Fund but such a balance cannot be regarded as satisfactory by anybody who bears in mind the total capital invested in our Railways. We have to recognize the fact that prices have risen considerably and that contributions at the old rate will not be sufficient to keep our Railways in a sound condition. Like every prudent commercial concern, the State should not merely provide for the replacements and renewals that may

be necessary year after year but also provide a balance commensurate with the size of the undertaking in order to provide against adverse conditions that might have to be faced later on. It seems to me therefore that the Minister of Railways has no reason to congratulate himself on the arrangement that he asks us to accept.

Sir, a word more before I sit down. The Report of the Convention Committee has suggested in para. 11 that as the Railways belonging to Indian States will be taken over by the Government of India without making any payment to the States, two accounts should be maintained, the Loan Account and the Block Account, the Block Account representing the value both of the Railways now owned by the Government of India and those owned by the Indian States. The Indian Railway Enquiry Committee drew attention to the fact that the capital at charge contained a sum of about Rs. 68 crores for which no tangible assets existed. I need not enlarge on this subject because my hon. friend the Minister of Railways referred to the matter in his speech. The Railway Enquiry Committee recommended that in order to write off this sum, a provision of one per cent. of the annual gross earnings should be made. Now the total capital invested in the Railways owned by the Indian States is as I have already pointed out, about Rs. 58 crores. The two sums therefore are almost equal and one can be set off against the other. There does not seem to me any reason, in view of what I have said, why there should be a separate block account. I do not know what the decision of the Government with regard to the recommendation of the Railway Enquiry Committee that I have referred to is but assuming that they agree with the view taken by the Committee, it seems to me that they will, on the 1st April 1950, have an opportunity of writing off the entire amount because of their good fortune in acquiring the Indian State Railways without making any payment to them. I hope that my hon. friend, the Minister of Railways, when he winds up the debate will enlighten the House on this point.

Sir, I do not think that it is necessary for me to deal with any of the details of the Resolution. I have drawn attention to the most important features. And I think the House will agree that the appointment of the Railway Convention Committee has yielded no useful result. Instead of settling now what contribution the Railways should make to General Revenues for five years, I think it will be better if we continue the present method and, at the time of the division of the surplus, pay due attention to the needs of the Railways. There is no conflict between the Railways and the General Revenues. Both belong to the State. It should be of the utmost importance to the State to see that the Railways are maintained in an efficient condition. They provide the State with something more than a contribution to the General Revenues. They enable the trade and commerce of the country to function normally. Any breakdown in our railway transport arrangements will react seriously on the economic position of the country. I venture again therefore to submit to the House that it will be better to allow things to go on at present, weighing the scales in favour of the Railways, rather than accept the rigid arrangement proposed in the Resolution before us, which is to remain in force for five years.

Shri Ramnath Goenka (Madras: General): Sir, there have been three points of view placed before the House. My friends Mr. Subramaniam and Mr. Kapoor presented the extreme point of view, namely, that as much as possible should be taken from the Railways and given to General Revenues. Then there was the point of view presented by our friends Prof. Shibban Lal Saksena and Mr. Kuladhar Chaliha, that Railways, as they are claimed and very rightly claimed, should be a public utility concern and therefore must be used in the best interests of the country and for the convenience of the public.

Dr. P. S. Deshmukh (C.P. and Berar: General): A public charitable concern!

Shri Ramnath Goenka: No. Then the third point of view was placed before us by Pandit Kunzru, and very emphatically too, that the present unsatisfactory state of affairs should continue, namely, that the Finance Minister and the Railway Minister should quarrel between themselves over whatever may be left as the surplus of the railways. These are the three points of view which have been placed before us.

A point of view was very strongly pressed that more money should be given to the Railways, more money should be allocated to the Depreciation Fund, more money should be put into the Betterment Fund, and that everywhere there should be more money. If there was plenty of money, there would be no quarrel. But the fact is that there is only a limited amount of money to be distributed. Therefore that limited amount of money has got to be equitably distributed. What did the Committee do? Instead of the present allocation of Rs. 12 crores to the Depreciation Fund, they decided that it should be Rs. 15 crores.—Mr. Chanda, the Financial Commissioner of Railways asked for Rs. 28 crores to be allocated. And Mr. Kunzru's Report wanted Rs. 22 crores to be contributed to the Depreciation Fund. But when we took stock of the situation we found that there was no money to be allocated either on the basis of the Financial Commissioner's Report or that of the Kunzru Committee Report. We had therefore to come to the inevitable conclusion that Rs. 15 crores should be allocated to the Depreciation Fund. But is Rs. 15 crores enough? Certainly not. But there are Rs. 74 crores already standing to the credit of the Depreciation Fund, and if we contribute at the rate of Rs. 15 crores every year for five years, that will come to Rs. 75 crores, totalling a sum of Rs. 149 crores. And in the five years a sum of Rs. 125 crores is proposed to be spent on the rehabilitation of the railways. This is, roughly speaking, the *via media* which the Committee could adopt. Even if the Committee wanted to do something better, what could they do? After all they have to take into account the revenue and expenditure position of the railways.

Another point raised was that the Railways are taking away money from the Finance Minister. That statement is far from being the fact and those who say that do not really understand the exact import of the arrangement. Every pie which the Railway has is in the hands of the hon. the Finance Minister. He has liberty to use the whole of the Railway's money, in whatever Fund it may be placed, in the manner in which he thinks best. To be accurate, it is something like the position in respect of the Sterling Balances. Whatever money the Railway has, whether it is in the Depreciation Fund or the Reserve Fund or the Betterment Fund, is placed at the disposal of the Finance Minister and so far as the Finance Minister is concerned, his ways and means position is fully covered. In fact every pie which the Railways may allocate to one Fund or the other is available for use by the hon. the Finance Minister. It is true theoretically to say that those Funds are allocated for a particular purpose. But a situation may come when the ways and means position of the Finance Minister may not permit him to allow the Railway Minister to use the money for the purposes of the Railways and I am not sure whether the Railway Minister can then use the money in spite of the Finance Minister. Therefore, to whatever Funds the money may be allocated, the net result is that the actual cash position is in the hands of the Finance Minister.

Shri L. Krishnaswami Bharathi (Madras: General): Has he control over that?

Shri Ramnath Goenka: He has absolute control over it.

Shri Jaspat Roy Kapoor: Let us have the satisfaction of having a good book position.

Shri Ramnath Goenka: That is what we are endeavouring to. It comes to that.

The second point which was raised by my friend Mr. Subramaniam, which was later stressed by Pandit Kunzru, was in regard to the acquisition of the State Railways. The amount of outlay on States Railways is about Rs. 52 crores. If you go into the history of these State Railways you will find that these Railways have been run to death, and the States which have been managing these Railways have been managing them only to get as much revenue as possible for the day and not bothering about the morrow at all. The maintenance of the railways had been ignored. (*An hon. Member*: Why did we take them over"?) The question is asked as to why we took them over. The answer is that it is a political decision. If it were a commercial proposition and if this commercial proposition had been offered to the Railway Minister, I am dead certain that be would have refused to take them over. But the fact is it is a political decision and having carried out that political decision he is bound to carry the baby for what it is worth.

Again, the Railway Enquiry Committee Report (Pandit Kunzru's Report) observed that Rs. 68 crores are not represented by tangible assets and that one per cent of the gross revenue every year should be allocated in wiping out those Rs. 68 crores. What have we done? We have taken those Rs. 52 crores into account—whether it is Rs. 52 crores or not is beside the point—and we say "Here is an asset of Rs. 52 crores; the one will offset the other, that is, these Rs. 68 crores will be replaced by this tangible asset of Rs. 52 crores or whatever it may be."

An Honourable Member: Did you deal with that in the report?

Shri Ramnath Goenka: It was not necessary to deal with that point in the report. The report made only a passing reference to it. It is only on the 1st of April that these Railways will in fact come under the Government of India and therefore it was too early to have made a mention of this point. But the idea of the Committee in coming to this decision was this: here are Rs. 68 crores not represented by tangible assets but the Rs. 52 crores worth tangible assets will offset those Rs. 68 crores.

A lot has been said in regard to the Betterment Fund. Let me say that there have been suggestions for too many funds like the Betterment Fund, Labour Welfare Fund, X-Fund, Y-Fund, etc. We wanted to make these things more flexible and so we reduced all the funds to three in number. The first is the Depreciation Fund which entirely goes towards replacement etc. Then, the Reserve Fund is something like a dividend equalisation fund. The third Fund is called the Development Fund which would deal with betterment, labour welfare, and also such unremunerative projects as we have not been able to take up so far but which it is necessary that the Railways should take up as early as possible as the future of the country lies in the development of its transport system to help not only the general public but also trade and industry. The system, so far, has been that unless a particular return was guaranteed, no new project was undertaken, unless it was a strategic line in which case the whole burden was borne by the General revenues. Now, we have created a Fund from which will be spent money for unremunerative projects.

[Shri Ramnath Goenka]

Sir, I need not go over the whole report. A lot has been said about it by several members, but so far as I am concerned, I think the report which we have submitted is the only report which any Committee could have submitted in the circumstances in which we were placed. There is only one point which remains to be answered: why didn't we leave the matters where they were? Several members have stated, and my friend Mr. Alagesan put it very nicely, that there has always been bickerings between the Railway Minister and the Finance Minister in regard to the division of . . .

Shri C. Subramaniam: But we were assured that there is none and that there would be none!

Shri Ramnath Goenka: There would be none, I am sure, under the present scheme, but there have been in the past. The present Ministry, of course, is a happy family.

Pandit Thakur Das Bhargava (East Punjab: General): An arbitrator was appointed to settle that controversy.

Shri Ramnath Goenka: Here is a railway system which has been completely shattered due to the war. No replacements have taken place. We know by personal experience the condition of the rolling-stock today. When we travel by rail, we have nothing but complaints against the Minister—sometimes there is no light, sometimes there is no water, and God knows what-not.

Shri C. Subramaniam: Are you speaking of the present conditions?

Shri Ramnath Goenka: I am speaking of the present and I am telling you that that condition has to be improved and for doing that within the next five years we have to spend Rs. 120 crores. Therefore, it is very necessary that a settlement is arrived at so far as the General revenues are concerned. In order to arrive at that settlement we have provided that we give the General revenues exactly what they have been getting so far from the railways—about six crores. Over and above 3.2 per cent. interest which we have been paying we have been paying also annually six crores on an average. If we pay them four per cent. that amounts to the same. Under that arrangement the Finance Minister would be quite happy so far as he is concerned because he would be getting what exactly he was getting before.

Shri T. A. Ramalingam Chettiar (Madras: General): What about the investment in strategic railways?

Shri Ramnath Goenka: It is not the concern of the railways. There are none, now, and if one is going to be constructed in the future it will be a political decision and not a commercial proposition.

Sir, we have been talking of nationalisation, but the unfortunate part of it is this. We want to nationalise a concern and have a say in it. We say all the revenues derived from the railways should be allocated to the General revenues. If you want to nationalise and make the railways a commercial concern, then you must run that concern in a business-like manner. We forget that aspect of the question.

Shri C. Subramaniam: But you get a dividend all right.

Shri Ramnath Goenka: In business we create several hidden reserves about which you know nothing. (*An hon. Member*: The cat is out of the bag). The cat will be out of the bag here too. If you see this report and analyse it, you will find that we are debiting to Capital Account anything up to Rs. 20 crores

instead of Rs. 10 crores. Is it not a reserve? (*An hon. Member* : We are asking about your reserve). Don't worry about mine. I have no time to analyse this report, but if I do I can show how various expenses that were formerly debited to Capital are now being debited to Depreciation. Sir, my friends may not know it, but let them understand that we have not created a Redemption Fund. If it was a business concern, I would have created a Redemption Fund for paying off the loans which I would have taken from the profits. That we have not created because we knew what opposition we would meet at the hands of this House. Sir, my friends have no idea regarding business and commerce. If they had, they would have found that in the course of another twenty-five years the whole amount, every pie of it, borrowed from the Government of India will be paid to the Finance Minister and the Railways will be run only for the benefit of the people of this country without any profit motive. That will be the state of affairs.

Shri O. Subramaniam: Is it not an insinuation that the General revenues are being used for purposes not beneficial to the people?

Shri Ramnath Goenka: If my friend had only known it, the cost in the books of the Bank of England building, which costs a million pounds, is about a rupee. Why is it one rupee? Is it not a nationalised institution? It is a hundred per cent. nationalised institution. They want to keep their finances in such a manner as would enable them to stand all weathers. Here are our Railways, which have been not able to stand any whether at all. Look at the history of 1932, 1934-35. What happened? We were not able to pay even interest. We had to borrow money from the Depreciation Fund to keep ourselves going. Is this good finance? Is this the way to finance a public utility concern, which is there for the good of the people and the trade, commerce and industry of the country? Is this the way in which we are going to keep the finances of the biggest national industry in this country? All that I want to submit is this. We have to take care of the Railways in future. We have to provide against a rainy day. We have to see that the Railways are run in the best interests of the country. They should not be treated as a commercial concern. Even if they are so considered, we must see that plenty of reserves are created in the various Funds of the Railways, so that we could weather any storm that may face the Railways in future.

Dr. P. S. Deshmukh: Sir, there have been many speeches delivered on this Resolution and I therefore do not propose to take long. I am not in the habit of repeating what has already been said. I will confine myself to a few points which I wish to urge.

As my hon. friend, Mr. Goenka, has said, the House is divided into several groups which have advanced different points of view. I for one agree with the view which urges that as much money as possible should come to the General revenues. The reason why I say so is, firstly, because we have been reduced to the position of debtors. We have had recently to borrow considerable sums of money from foreign countries and pay interest upon them. Here is our own money which is invested in the Railways and I see no justification whatsoever why we should charge to a certain Department of Government anything less than what we are obliged to pay for our own loans. In fact, I would have liked the Committee to have recommended a rate of five per cent instead of four per cent.

Of course, my hon. friend Mr. Goenka has put before the House the other side of the picture. He has described the way in which the Railway Administration was carried on and the dilapidated condition in which it is at present.

[Dr. P. S. Deshmukh]

According to him, it has ceased to be a sound commercial undertaking. That is probably the only reason why he wants to call it a public utility concern. I therefore suggested somewhat humorously that it might as well be converted into a public "charitable" concern. If the Railways were really providing reasonable standards of convenience and maintaining normal human conditions for the travelling public in this country, I would not have insisted upon a high rate of interest. But both during the whole period of the war and today, the Railways are being maintained at the cost of the public at large. The harassment and inconvenience which the public have to undergo is so continuous and extensive that there is no justification why there should not be some more contribution made to the General revenues than has been contemplated.

Shri Mahavir Tyagi: That is the lookout of the Minister. It had nothing to do with the Committee.

Dr. P. S. Deshmukh: The second reason why I want a higher rate of dividend is that it is the only means in our power by which we can expect the railway efficiency to go up. There is no other criterion. If the Railways are made to pay a maximum of their intake to the General revenues, then that is one criterion by which we will be able to judge the efficiency of the Railway Administration. From that point of view also, I would urge that the Railways should be put to it,—especially now that we have won our freedom and the strategic Railways are no more a burden on our finances—to contribute a larger share to the general finances.

My hon. friend Prof. Shibban Lal Saksena thinks that the State should take the minimum, because if we insist upon more, the development of the Railways would suffer. I for one take a different view. I think that the more the Railways are able to contribute to the general revenues, the more it would be possible for the hon. the Finance Minister to set apart larger sums for railway development in India. There is no doubt that railway development is at a standstill as far as larger mileage is concerned. It is imperative that in a country of India's size we should have larger mileage of railways, but if that is to come about, it can only be through larger sums accruing to General revenues. It may be made a rule, in that case, that if over and above the four per cent. dividend, there are large sums accruing to the Railway Administration by way of profits, that at least one-third of these profits should go to the General revenues, half of which could, if considered necessary, be earmarked for railway development alone. Thus the money paid to the General revenues is not money that is lost to the country. In fact, it is capable of better utilisation in the shape of development than if the profits were allowed to be spent by the Railways.

Then, Sir, I do not like this business about amenities having a certain sum of money about Rs. three crores or so to be reserved for this purpose. My reason is this. Not that I dislike amenities, but the standpoint from which the convenience of passengers is viewed is, in my opinion, completely wrong. The present conditions in the trains are such as even cattle will not put up with. It is the bounden duty of the Railways to provide reasonable conditions and facilities, and not give these amenities a shape of something like a charitable or extra generous consideration towards the passengers. That is not so. It is very necessary to determine what average conveniences the passenger is entitled to and it should be the bounden duty of the Railway Administration to provide them not in the shape of amenities but as things which every human being deserves and must enjoy. Calling them as "amenities" and reserving certain amounts only for amenities, etc. is a thing which I do not like.

Shri Mahavir Tyagi: Did I not say so in the Committee?

Dr. P. S. Deshmukh: I have always prided myself . . .

The Honourable Shri K. Santhanam: May I explain that this Fund is intended to overtake the arrears of the last hundred years?

Shri O. V. Alagesan: It is such a meagre amount to overtake the arrears of the last hundred years.

Dr. P. S. Deshmukh: Sir, I always knew that I had some sort of a psychological sympathy or telepathy with the thinking process of my hon. friend Mr. Tyagi and it is a great consolation to me that even in this regard he had voiced in the Committee what I say here today.

One more thing that I would like to say is this. In running the Railways, especially under present conditions, the Railway Administration should give adequate facilities and deliberate concessions to producers of agricultural commodities. This point was the subject of questions this morning and I was thoroughly dissatisfied with the way in which the hon. the Minister of State for Railways answered those questions. I do not like the attitude which he seems to have developed. I do not mind if it is a matter of profits for the merchants, if the charges are heavy; but when an agriculturist wants to despatch his goods from one place to another, concessions must be given. At the present time, the rates are more than double in many cases, particularly in respect of oranges and bananas transported from Central Provinces and Bombay. This is without reference to the prices that an agriculturist or a grower of these fruits will make. I would very strongly urge, taking advantage of this Resolution, that the present freight rate on oranges and bananas is too heavy to bear and is working to the detriment of the producers. The result is that if the growers are not able to transport them and if there are not customers available in the area where they are grown—which it is generally the case, most of the fruit—about growing more of which we shout so much and to which we attach so great a value—gets rotten and has to be thrown away or used as manure.

Shri R. K. Sidhva: They want supplementary foods and they are raising the freight rate on supplementary foods.

Dr. P. S. Deshmukh: The whole thing is working in a very unsatisfactory manner and I think the case deserves to be examined. My hon. friend suggested that it was only costing the grower one more banana per dozen, but how it affects his production and his incentive to grow more is a matter which should have been seriously considered by him before enforcing the higher rates.

Unfortunately, I am sorry to say that the hon. Minister of State has not looked at it from that point of view.

I do not wish to take any more of the time of the House. I do not propose to oppose the Resolution. But we must see that since we have made
5 P.M. the Railways a monopolistic concern, we should see that they give satisfactory return. Had they not been a monopolistic concern, they would not have been able to stand on their own legs. It was proved in 1932-38, as was referred to by my hon. friend Shri Ramnath Goenka, that they were unable to compete with the average transport companies and bus services. They had to be protected. In view of all this the General revenues are certainly justified in expecting a larger return.

Shri M. Tirumala Rao: Sir, I want to intervene in the debate only to answer one or two charges that the members of the Committee have all been yes-men and have been lost in admiration of the hon. Shri Gopalaswami Ayyangar and

[Shri M. Tirumala Rao]

his Deputy. Sir, it is not possible for me to refute the view-points of all those hon. Members who have spoken, except the one which was presented by my hon. friend who moved the first amendment. I would have been very pleased if the other signatory to the amendment was here to shed some light and illumine the dark corners of this Assembly by his superior wisdom. But, unfortunately, the whole responsibility and burden has fallen on the shoulders of my friend, Mr. Subramaniam.

Shri C. Subramaniam: Do you think I have not sufficient light to throw?

Shri M. Tirumala Rao: It is a joint effort in which the whole burden has fallen on his shoulders and I congratulate him on the way in which he has discharged it, though we still remain where we were with regard to being convinced about the wisdom of his proposal.

Sir, national interest demands that we should look at this matter from the point of view that the Railways are owned not by the tax-payer, but by the nation as a whole. If you analyse the position, the tax-payers in the country compared to the general population are in a minority and I say here and now that the New Constitution ensures that whether a man is capable of contributing anything to the exchequer of the State or not, by the very fact of his being a national of this country he has got an interest in the national property. And Railways are built and maintained at the cost of all the people who inhabit this country. The major contributor to the Railway income is that class of people who have not got a great stake in terms of money. About one hundred crores of passengers are carried by our Railways every year. Thirty to thirty-five crores is the total population of our country. That means on an average every man, woman or child, irrespective of age would have travelled on the railways on an average three times a year. Therefore, they have got an abiding interest in the well-being of the Railways.

Sir, we have just now emerged from a period of depression, from a period of absolute disintegration and dislocation of our normal traffic. If you see the post-war reconstruction schemes that were drawn up during the previous regime, you will see magnificent plans for building up the transport system of this country. They have said that the prosperity and well-being and improving the standard of life of the common man mainly rests on the transport system of this country. Railways play a notable part in the economic life of the country and I am glad, Sir, that an experienced administrator and a level-headed politician and statesman who has commanded the confidence of this country on many critical occasions like Shri Gopalaswami Ayyangar is in charge of this national asset. He has taken into his head that he must put on a sound footing the finances and the organisation of our railways at least for the next five years. He has taken the Finance Minister who is really the key-man with regard to both the Railway and General Finances of this country into his confidence. Both of them exchanged their opinions and came with a common proposal before the Committee for their approval. We have discussed many a point in the Committee—not that we have been absolutely or abjectly subdued either intellectually or morally by these gentlemen. But their superior equipment and experience have convinced the members of the Committee about the soundness of their proposals.

Sir, I do not want to enter into details. The Depreciation Fund is one of the most ticklish and technical questions which could not be defined by the most experienced administrators or engineers in this country or abroad. There are several ways of computing it. There are several ways of arriving at it.

There are several methods of calculating the wear and tear of an asset. Therefore, all those things have been taken into consideration to the best of the technical and experienced advice of the Railway Board and other members of the staff and a workable decision has been reached that within the next five years a total amount of Rs. 50 crores should be allotted to the Railways for unimpeded and undisturbed development of this asset of the nation.

Then I come to the Betterment Fund. It was pointed out by several hon. Members that the ordinary passenger amenities have been woefully neglected. The Betterment Fund was brought into existence in the year 1946 by the then Railway authorities. Nearly Rs. 13 crores has accumulated. That shows the difficulty and I may say to some extent the inefficiency of the system under which we are now working. They were not able to spend the money which was allotted to them. They could not provide the necessary amenities. There are certain things which are out of their control. But there is no point in accumulating this Rs. 13 crores and keeping it in the tills of the Finance Minister to be used as he likes. Therefore, we have stipulated a condition that there should be at least three crores of rupees to be compulsorily spent. My hon. friend, Mr. Jaspat Roy Kapoor, asked me: "Suppose you are not able to spend—what happens to this Fund? Will it be used as the Finance Minister likes, or as the Railway Minister likes?"

Shri L. Krishnaswami Bharathi: Is it anywhere stated that it must be compulsorily spent?

Shri M. Tirumala Rao: It is for this House to see that the policy laid down by this House is competently and properly carried out by your own elected Ministers. Remember that you are under a responsible Government under which the Minister is as much responsible to Mr. Bharathi as to anybody else.

Shri L. Krishnaswami Bharathi: Will the Member enlighten me whether it is anywhere mentioned that it must be compulsorily spent? It should be spent within any year.

Shri M. Tirumala Rao: I do not want to carry enlightenment to an enlightened man like Mr. Bharathi. I want to bring to the notice of this House this, Sir. This is amalgamated with a development fund with a definite purpose. We have suffered in the past. I was a victim in my own district of the so-called remunerative character of some of these projects. A line 27 miles in length they wanted to carry it away to the Middle East and they condemned it as unremunerative. A line of 27 miles costing Rs. 27 lakhs they calculated whether it is remunerative or unremunerative. What is the quantum, what is the unit on which you are going to calculate the remunerativeness or the unremunerativeness of the Unit? This is a bit in a railway of nearly 3,000 miles in length. I may tell you that when the anicut on the Godavari was built, it was not paying a pie to Government as interest, but now it is paying 22 per cent. on the investment made. There are prospective investments which cannot pay anything in the initial stages and there are certain investments which may pay a large dividend in the later stages. There may be certain absolutely necessary projects which were designed a century ago and which have been operating to the inconvenience of the local people. Such schemes have to be taken in hand and executed whether they are immediately remunerative or not. Therefore, for all these contingencies and for the development of this system in a more useful and effective way, this diversion is made and it is clubbed together as a Development Fund. It can be used both for convenience as well as for the opening up of new lines.

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Sir, as a five year scheme, I feel that it should carry the largest measure of support from this House. I do not deny that there are so many other alternatives, but the combined wisdom of half a dozen or eight people who have been elected from this House has been able to produce this humble measure before you and it is worth while to give it a trial for the next five years and see what improvement and what development can be had in the transport system of this country.

The Honourable Shri Satyanarayan Sinha (Minister of State for Parliamentary Affairs): The question may now be put.

Mr. Chairman: The question is:

"That the question be now put."

The motion was adopted.

The Honourable Shri N. Gopalaswami Ayyangar: Sir, I have listened to this debate with great interest. A number of points have been raised in connection both with the report of the Committee and with the Resolution that has been placed before the House. Several of the points have been answered quite satisfactorily by two members of the Committee, who have spoken before me. I think the points that were stressed by them in answer to the criticisms that had been made leave me so far as those criticisms are concerned, very little to say indeed. I should like in the few remarks that I propose to permit myself at this late hour to deal with a few of the more important criticisms that have been levelled both against the recommendations of the Committee and the terms of the Resolution.

I would first take the amendment which tried to substitute a kind of new Resolution for the one which I have moved and the refrain of the speech of the hon. Member who moved that amendment is that there are several considerations which should convince the House that this is not the time for our trying to petrify, in the shape of a Resolution, things which are fluid and which must be allowed to settle, and for which machinery is provided by the new Constitution for proper investigation and settlement.

Now, Sir, I should have liked to sympathize with that attitude, because it would have saved me, my hon. colleague the Finance Minister and a considerable number of stalwarts in the House who were members of this Committee, a great deal of time and trouble, the time and trouble that they had to take in evolving this report and this Resolution. But we have to face facts. This is a time when both Railway finance and General finance require a certain amount of certainty, at least as regards the immediate future; and without that amount of certainty, it is not possible either for the railways or for the hon. the Finance Minister to plan ahead, to try to make the best use of the resources that come into their hands and also to see that as far as possible they work hand in hand and achieve the co-ordination about which my hon. friend, Mr. Subramaniam, was so enthusiastic. I think if there is one characteristic of this report which should elicit the appreciation of this House, it is the fact that co-ordination has already been achieved in this report and it would be further implemented in the carrying out of this Resolution during the next five years. Now, Sir, that is the reason why I take it, the Committee set to itself this task and tried to produce something which would be acceptable and which would be workable.

A criticism has been made that this matter should have been placed before the Railway Standing Finance Committee. I would refer to two circumstances which, perhaps, would answer that criticism most satisfactorily. The first is

that this suggestion was made in the course of the debate on the Resolution which the House accepted in April last in deciding to set up this Committee. Even then, it was said: "Why have a new Committee? Why not leave this matter to the Railway Standing Finance Committee?" And I answered that particular criticism, I remember, by pointing out that this is a matter in which the Railways are not the only party concerned but that general finance also has to take a hand, and therefore, it would be more appropriate that the House appointed a Committee on which both those who were interested in Railway finance and those who were interested in General finance, could find representation. That is a point to which I should like to draw attention.

But my attention has been drawn also to the fact that when this matter was considered by the Railway Standing Finance Committee in June 1946 in one of its decisions it said:

"The elimination of the contributions to General revenues can only be considered by the Legislative Assembly which will in due course appoint a Committee to review the working of the Railway Convention. We recommend that this Committee (that is to say, the Committee to be set up by the House) should be set up at an early date."

Shri Jaspat Roy Kapoor: That Resolution of the Standing Finance Committee did not suggest that the report of any Committee that may be set up should not be placed for the consideration of the Standing Finance Committee, thereafter.

The Honourable Shri N. Gopalaswami Ayyangar: I am wondering whether I would not be guilty of discourtesy to the House, if the report of a committee appointed by it, which had to be submitted to it for consideration, was placed before the Standing Finance Committee which was set up only for Railways. I thought the most appropriate course was to place it before this House.

Now, Sir, Mr. Subramaniam referred to several arguments. I am sorry that he did not have the time perhaps for unburdening himself of all that he had intended to say. But, there is one point in his speech to which I think I should make a reference. He quoted from Sir Jeremy Raisman, what he said in 1942 or 43, if I remember aright, in 1943. That was a period when Sir Jeremy Raisman was putting out his hands as the Finance Member of the Government of India to grab as much as he could from the railway surpluses, and it was natural that he should have referred to what Sir Basil Blackett had said in 1924 as illusory, and so on. Sir Basil Blackett was not before him; I believe he was dead at that time.

An Honourable Member: Sir Jeremy Raisman is not before us.

The Honourable Shri N. Gopalaswami Ayyangar: I am not quite sure of the date of his passing away; but I have a recollection that it was before Sir Jeremy Raisman spoke. I am sure, between the two, it is difficult for me to choose Sir Jeremy Raisman in preference to Sir Basil Blackett. I would read to you what Sir Basil Blackett said in 1924 when this particular point was raised by no less a person than Sir Purushottam Das Thakur Das. Sir Purushottam Das Thakur Das had pointed out that the result of adopting the Convention would be that in the event of a deficit, the Assembly "would be giving up a very effective power which exists now to meet the deficit (that is to say the deficit in the General Budget) wholly or partially by a demand on the Railways."

Sir Basil Blackett referred to this and said:

"That, Sir, is perfectly true. The Assembly are being asked and the Government are proposing themselves, and the Finance Department is proposing, that the Assembly and the Government should lay down the proposition that taxation on communications is bad taxation, and that in the event of additional taxation being required, which God forbid, that taxation

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should be imposed by some more desirable method than that of taxing the railways. We are asking the Assembly to agree to a Convention that it will not in normal circumstances, obviously one cannot legislate for abnormal circumstances, that it will not in normal circumstances, try to meet a deficit by taxing communications, by interfering with railway property."

That was the advice which Sir Basil Blackett gave in 1924. I for one, as I said this morning, am willing to swear by it rather than by the opinion of Sir Jeremy Raisman who had his own particular provoking circumstances in 1948 to say the things that he did.

Sir, I would now pass on. There was a good deal that was said about the Betterment Fund. I would point out in answer to an hon. Member who put me the question, that during the current year, the promise that I made during the Budget debate in March last has been satisfactorily implemented. I said that I would try and see that the one and a half crores of rupees that were set apart for that purpose in the current year are spent. According to the information that is at present at our disposal, that allotment has been nearly all spent already, and it is possible that, in pursuance of the promise I had made to the General Managers when I met them here, additional allotments may be asked for from me for the purpose of expenditure on this item in excess of one and a half crores. For the next year, in spite of the hon. the Finance Minister's insistent demands that we should cut down expenditure in all directions, a provision of three crores of Rupees will be made. As regards the earmarking of three crores every year for passenger amenities, the recommendation is that the earmarking should be for expenditure. There is myself, and after me, my successor along with the Railway Board, to see that this undertaking is implemented. If it is not implemented, as my hon. friend Mr. Tirumala Rao pointed out, you can hold them to account here and you can hold them responsible for neglect of duty.

Then, Sir, I greatly appreciated the general point of view that was put forward by my friend Prof. Shibban Lal Saksena. If I considered myself responsible only for railways, I should have gone the whole hog with him. Unfortunately, I have to conduct myself in my present capacity in co-ordination, as Mr. Subramaniam would want me to do, with the hon. the Minister of Finance and I cannot ask for more than I can reasonably ask if this co-ordination has got to be effective. I think, Sir, the opposite point of view that as much as possible should be taken out of railway surpluses and handed over to the General revenues, is a proposition to which I do not think any substantial section of this House would give its consent.

There was something said about the assets of the Indian State Railways which we shall be taking over on the 1st April, 1950, and an interesting suggestion was thrown out by my hon. friend Pandit Kunzru. He referred to two facts. One is that in our capital at charge now, there is an amount against which there are no corresponding physical assets. As against that, we shall be getting from the Indian States physical assets, but there will be no addition to the capital at charge. I think my hon. friend Mr. Ramnath Goenka referred to it. It is just possible that the one can be treated as set off against the other. In any case, as he very rightly pointed out, that was one of the considerations which were responsible for the wording of paragraph 11 in the report in the way it has been worded.

As regards the maintenance of the Block Account separately from the Capital Account, that is not a matter which emerges only from this one circumstance of our having to take over the Indian State Railways. There has been and there is going to be a certain amount of capital expenditure which

would not be financed from loan funds, but which would be financed from revenues. In such cases, it is necessary that we should have an account which shows the value of our assets and another account which shows only the loan capital on which we have got to pay dividend and therefore it is that this very necessary recommendation has been made.

Sir, I was very sorry to hear my hon. friend, Pandit Kunzru, say that this Committee might as well not have been, that it has added nothing to the existing state of things and that all its efforts have been in vain. It is unfortunately the experience of Chairmen of Committees set up for making enquiries of this kind to have this kind of criticism levelled against them. I well remember that when we were adopting the report of the Indian Railway Enquiry Committee the same thing was said that we had not moved an inch from where we were, but that is unfortunately the fate of Chairmen of Committees of this description. But he failed to recognise the fact that instead of an *ad hoc* fluid arrangement which could be changed every year about which there could be an interminable difference of opinion, the Committee has to produce a scheme in which this kind of difference of opinion cannot arise, at any rate during the next five years, and after the five years the system might well be changed on the report of another Committee of this description, which could go into the whole matter and recommend what changes are necessary. I cannot think of a more satisfactory way of dealing with problems of this kind in a democratic State. In trying to judge things as they are, we anticipate for what length of time those conditions might be expected to last. We provide for a change of the system or scheme when conditions may be expected to change and we have got to readjust our policy in relation to such changes.

An Honourable Member: After the five years only the rate of dividend could be changed.

The Honourable Shri N. Gopalaswami Ayyangar: Yes, the rate of dividend can be changed. Certainly the other recommendations which are founded on general principles are intended to be of a more permanent character than the actual rate of dividend, but, as hon. Members know, if we find that any of these general principles have miscarried and the state of things then required that we should reconsider them, there is nothing to prevent us from doing so. So far as we can see, the general principles are applicable to conditions which exist not only now but may exist for a period of ten or even fifteen years, but it all depends upon how things develop and how things force us to modify such decisions as we are taking now.

Now, Sir, I do not think you will expect me to deal with each individual amendment. So far as the Betterment Fund is concerned, I give this assurance that so far as I am concerned and the Railway Board is concerned, we shall see to it that not only are Rupees three crores earmarked for betterment in each of the five succeeding years but that the Rupees three crores are actually spent. For the rest, I think the lumping of this Betterment Fund with other amounts which will be put into the development fund has a convenience and flexibility, as my hon. friend so correctly characterised it, which will be all to the good for our trying to find money not only for passenger amenities but for extending our railway services and for providing for labour welfare.

Shri R. K. Sidhva: Not from this money.

The Honourable Shri N. Gopalaswami Ayyangar: I should say that in the light of what I have said now, I do not find it possible for me to accept any of the amendments that have been proposed. I would leave it at that.

Mr. Chairman: Are you pressing your amendment, Mr. Subramaniam?

Shri C. Subramaniam: No. Sir.

Shri Jaspat Roy Kapoor: As none of my amendments are acceptable to the hon. Minister I must persuade myself to believe that I have been convinced by his reply, and, therefore, I am not pressing my amendments.

The Honourable Shri N. Gopalaswami Ayyangar: I may remind Mr. Kapoor that as against his surrendering to me on this occasion, he will remember probably that I have succumbed to him, to his persuasions, in other contexts.

Mr. Chairman: Mr. Saksena.

Prof. Shibban Lal Saksena: It is no use. I would like to withdraw.

Shri O. V. Alagesan: In view of the assurance given by the Honourable Minister for Railways, I beg leave of the House to withdraw my amendment.

Shri Sita Ram S. Jajoo: I also withdraw my amendment.

Mr. Chairman: I take it that no hon. Member presses his amendment. Have all these hon. Members the leave of the House to withdraw their amendments?

Several Honourable Members: Yes, Sir.

The amendments were, by leave of the Assembly, withdrawn.

Mr. Chairman: The question is:

"This Assembly, after considering the recommendations of the Committee appointed by it in April 1949 to review the Convention relating to the separation of railway from general finance which was adopted under the Assembly Resolution, dated the 20th September, 1924, and in supersession of that and all other previous resolutions on the subject, resolves:

(1) that railway finance shall continue to remain separated from general finance;

(2) that the general tax-payer shall have the status of the sole share-holder in the railway undertaking;

(3) that on the capital invested out of general revenues in the railway undertaking as computed annually, general revenues shall receive only a fixed annual dividend;

(4) that for a period of five years, commencing from 1950-51, the annual dividend, shall be a sum calculated at the rate of 4 per cent. on the capital invested, provided that no dividend shall be payable on the capital invested out of general revenues in unremunerative strategic lines;

(5) that a Committee of the House shall review the rate of dividend towards the end of the aforesaid period and suggest for the years following it any adjustment considered necessary, having regard to the revenue returns of the railway undertaking, the average borrowing rate of government and any other relevant factors;

(6) that the existing railway reserve shall be renamed the Revenue Reserve Fund and utilised primarily for maintaining the agreed payments to general revenues and for making up any deficit in the working of the railways;

(7) that a Development Fund shall be constituted for financing expenditure for the following purposes:

(a) passenger amenities,

(b) labour welfare, and

(c) railway projects which are necessary, but unremunerative;

(8) that for meeting the cost of replacement and renewal of assets, the Depreciation Reserve Fund shall receive, for the next five years, a minimum contribution of Rs. 15 crores per annum chargeable to the working expenses of the undertaking;

(9) that the railway surplus shall be available for distribution amongst the Revenue Reserve Fund, the Development Fund and the Depreciation Reserve Fund to the extent the last named needs strengthening over and above the minimum annual contribution;

(10) that a Standing Finance Committee for Railways and a Central Advisory Council for Railways shall be constituted in the manner laid down in the motion adopted by this House on 23rd March, 1949;

(11) that the annual estimates of railway expenditure shall be placed before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demands for grants for railways by the Assembly; and

(12) that the Railway Budget shall be presented to the House, if possible, in advance of the general budget and separate days shall be allotted for its discussion and the Minister for Railways shall then make a general statement on railway accounts and working. The expenditure proposed in the Railway Budget, including the appropriation to the Depreciation Reserve Fund, the Development Fund and the Revenue Reserve Fund shall be placed before the House in the form of demands for grants. The form the budget shall take, the details it shall give, and the number of grants into which the total vote shall be divided, shall be drawn up by the Ministry of Railways in consultation with the Standing Finance Committee for Railways.

2. This Resolution shall come into force from 1st April, 1950."

The motion was adopted.

IMPORTS AND EXPORTS (CONTROL) AMENDMENT BILL.

The Honourable Shri K. C. Neogy (Minister of Commerce): Sir, I move:

"That the Bill to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

As the House has observed from the Statement of Objects and Reasons, the intention of this measure is to authorise Government to prescribe fees that should be payable on applications for import licences. Sir, control over imports and exports was initially imposed during the war years by the Defence of India Act. Later, for a short spell, the provisions relating to this subject were promulgated by an Ordinance and the place of this Ordinance was taken by the Imports and Exports (Control) Act of 1947. That Act was given a life of three years. That is to say, the principal Act to which the present Bill is an amending Bill, will have to come up before this House for consideration within the next three months or so. That is to say, the entire law relating to exports and imports will be open to review by the House within three months. During this period of three months it is proposed to levy certain fees with two objects in view as stated in this Statement of Objects and Reasons. First of all, our intention is to make this organization a self-financing one, so to say, and secondly and incidentally to reduce the number of frivolous applications which go to increase the work of the organization. Sir, it will interest the House to know that nearly 22 lakhs of rupees are at present spent by Government from General revenues for the maintenance of the Import Control Organization and this Organization is expected to issue licenses on the present basis for an amount of 400 crores or so. That is to say, the licenses that are issued would be of the order of 400 crores and we have to spend out of General revenues because we don't get any income out of this transaction. We have to spend 22 or 23 lakhs for the unkeep of the organization.

Shri Mahavir Tyagi (U.P.: General): What is the number of licenses?

The Honourable Shri K. C. Neogy: It is difficult to give the figures but I would like to tell the House the volume of the business that has to be handled by the organization. I have already said that 400 crores represent the value of the licenses issued and the applications number 100 times that, that is

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to say, if all applications were to be granted, the amount would be near about 40,000 crores whereas we can afford only importation of goods worth 400 crores. That gives an idea to the House of the amount of fruitless work *viz.*, only one per cent virtually of the value of applications is granted.

Shri B. P. Jhunjhunwala (Bihar: General): Ten times is the number of applications or the amount?

The Honourable Shri K. C. Neogy: It is very difficult to give the number but it is at least one lakh per half year and I may tell the House that at the moment there are 35,000 applications pending in the Delhi office—in the office of the Chief Controller himself, let alone the other offices at the Port towns and these 35,000 applications are being disposed of at the rate of say 1200 to 1500 per day. That gives an idea about the volume of work.

At the present moment, as the House is well aware, due to financial stringency we are expected normally to economise in the matter of expenditure on establishments but the House will realize that, having regard to the circumstances it is not possible for us to accept any cut in the cost of this establishment. On the other hand, I have been feeling for some time that there is room for a good deal of reorganization and improvement of the official set up. Now it is not possible for us to expect all that accommodation from the General revenues and that is the reason why this measure has been brought up but I would like to mention in this connection that the Defence of India Act itself specifically provided—I am quoting from Section 2 sub-section 3 sub-clause 9 for the promulgation of rules "enabling fees to be charged in respect of grant or issue of any license, permit, or other document for the purpose of these rules." Now I don't know for what reasons—may be due to oversight—this particular provision was not included in the Imports and Exports Control Act of 1947 which virtually took the place of the relevant provision of the Defence of India Act.

Therefore it is I say that the charging of a fee of this character is not foreign to the idea that underlay the control over export and import initially.

Prof. Shibban Lal Saksena (U.P.: General): What was the fee then?

The Honourable Shri K. C. Neogy: I understand no fees were levied under the Defence of India Act. I speak subject to correction but later, on two occasions, fees had been levied to meet certain special circumstances but then the view that was taken later by the Legislative Department was that, in view of the absence of a specific provision authorizing the levy of this duty in the Import Export Act of 1947, we had better place the matter before this House and seek its concurrence to this particular proposal. That is really the reason why I have ventured to occupy the attention of the House in this matter today.

Mr. Chairman: Motion moved:

"That the Bill to amend the Imports and Exports (Control) Act, 1947, be taken into consideration."

Shri Mahavir Tyagi: Sir, in the first place, I would like to know whether this Bill really comes under the authority of the hon. Minister of Commerce, for it is a Bill of taxation. That is my opinion and it may be wrong. I feel it is a Bill which brings revenues to Government in one way or the other. It is after all not a court fee. From one lakh of applicants you want to realise some fees like the Court fees. It means taxing the public to the extent of so many lakhs of rupees. My submission is that if it is a

regular and direct method of taxation. It comes under taxation and I wonder if this is really fair that a Department should come out with proposals which are tantamount to a tax whether it is small or big.

The Bill belongs to the class of Bills which are for taxation and it is not . . .

Shri C. Subramaniam (Madras: General): Are you raising a point of order?

Shri Mahavir Tyagi: It is an objection for the consideration of the House. Then the wording is slightly defective. Strictly speaking, if the men in authority begin to interpret it in their own way, it can be so interpreted. It says here:

"*Fees for applications for, and issue or renewal of, licences.*—The Central Government may levy such fee as it may specify in respect of any application for, and the issue or renewal of, any licence under any order made or deemed to have been made under this Act."

Now there are chances of stretching its meaning to the effect that if there are 100 applications for the import of some machinery of a similar type, there is nothing to prevent him to vary the fee on each of the applications. He may charge Rs. 200 for one and from another application of the same type another sum. I can understand one class of applications being charged in a uniform manner. I know they will use commonsense. But law is not a matter of commonsense. The vagaries of law will pay no heed to commonsense.

The Honourable Shri K. C. Neogy: If it will satisfy my friend I may say this at once. I was reserving that for a subsequent occasion. I can give the assurance on behalf of Government that our intention is to have three different rates of fees:—Rs. 10 for applications in respect of articles worth up to Rs. 10,000; for applications for articles worth above Rs. 10,000 and up to Rs. 1 lakh Rs. 25; and for applications in respect of articles worth above Rs. 1 lakh the fee payable would be Rs. 100. And there would be certain exemptions from the liability to pay such fees, such exemptions being granted in favour of, say Government departments, Provincial or State Governments, local bodies, educational or charitable institutions who want to import articles for their own purposes. All those applications will be entirely free from the payment of such duties. This is an assurance I give on behalf of the Government, whatever the language of the particular clause may be.

Shri Mahavir Tyagi: I am glad that the hon. Minister has clarified many of the doubts. But will his speech go as a part of the law? That is my point. Suppose the Government is changed tomorrow. And after the 26th January they are going to change it, I believe. In the eye of law, changes of Government do not matter. Law must be above Governments. Unless the law is changed, the position would be that any individual application can be taxed to any amount.

The Honourable Shri K. C. Neogy: I have stated the amount.

Shri Mahavir Tyagi: You are no doubt saying it. But I do not take it as the law. I do not take any cognizance of what the Minister has said, because the Minister does not go to court to interpret the law. The law is there. Why should not the schedule be incorporated? Let the House not give the Ministry unlimited power of taxing people. As it is, they can levy a tax of Rs. 100 or Rs. 200 or Rs. 500 per application. What stops them from doing so? My only suggestion is that this House of Representatives cannot give blind powers to the Government to levy a tax; it is a question of taxation here. Let the hon. Minister come forward with a schedule and this may be sanctioned by the House, so that people may pay taxes according to the schedule. The hon. Minister no doubt says so. It is all right today. But tomorrow the Cabinet might change their policy, and what is there to stop

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them from levying different fees under this very same law. Government orders are changeable. It is within the rights of the Government to change them.

The Honourable Shri K. C. Neogy: It is open to the hon. Member and his Colleagues to change that Government.

Shri Mahavir Tyagi: That is very good. But will it not be a drastic process which you are suggesting to me? When I come to that, Ministers will not like it. Although the Bill is very small, it can be redrafted to ensure that it is not misused. As the language is, it can be construed that the Government, if they like, can tax applications of the same nature in a different manner.

Mr. Chairman: The hon. Member is repeating his arguments. He may go on to his next point.

Shri Mahavir Tyagi: That point may be clarified and the rate of fees may also be decided.

There is again another matter. Suppose there are applications which are not accepted but simply rejected. I have seen the manner in which applications are rejected. It is only those applications that have "weight" are considered.

The Honourable Shri K. C. Neogy: May I say that the weight is sometimes contributed by the support of hon. Members of this House?

Shri Mahavir Tyagi: Well, only those that have the support of a member or Minister will be accepted. What about those who cannot get any Member's support? Why should the humbler people be taxed? I submit that out of the lakhs of applications received, at least 90 per cent. will be rejected. They will be paying this tax for nothing.

Shri M. Tirumala Rao (Madras: General): What about the examination fee?

Shri Mahavir Tyagi: Their applications will not be examined. Quota is now being fixed as to how much is to be imported. When the quota is reached there is no chance for any application to be considered. They will have to pay the tax although the quota for that article has been reached. I submit that this will not be fair.

Shri M. Tirumala Rao: It will be fair. Otherwise a single person will be applying through half a dozen categories.

Shri Mahavir Tyagi: If at all a fee has to be realised, it must be realised only when the application is accepted or granted.

Shri Ramnath Goenka (Madras: General): Then there will be a lot of fictitious applications.

Shri Mahavir Tyagi: My submission is that although this is only an Act of four—in fact three and a half lines, still, even this small thing requires a little vetting. I would request the hon. Minister to get it vetted to make it absolutely fool-proof. Sir, I do not want to take the time of the House for long. With this submission I hope the hon. Minister will consider my suggestion.

Prof. Shibban Lal Saksena rose—

Shri B. K. Sidhva (C.P. and Berar: General): We have had only fifteen minutes, and we have to make certain suggestions in connection with this Bill. We can take it up tomorrow as it is already nearing six o'clock.

Mr. Chairman: The hon. Member Prof. Shibban Lal Saksena may speak tomorrow.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Thursday, the 22nd December, 1949.